

AUDITOR'S REVIEW REPORT AND FINANCIAL STATEMENTS
PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2009

PTT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2009 AND 2008
(UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2008 (AUDITED)

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(UNAUDITED, REVIEWED)
AND FOR THE YEAR ENDED DECEMBER 31, 2008 (AUDITED)

1. General Information

1.1 Purpose of the Interim Financial Statements

These interim financial statements are prepared in order to provide additional information other than that included in the most recent annual financial statements. Accordingly, these interim financial statements focus on the reporting of new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the most recent annual financial statements.

1.2 Preparation of the Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 41 (revised 2007) “Interim Financial Reporting”. The contents of the interim financial statements comprise the balance sheets, statements of income, changes in shareholders’ equity and cash flows, as presented in the most recent annual financial statements, together with selected significant explanatory notes.

1.3 Basis of Preparation

PTT Public Company Limited “the Company” and its subsidiaries are collectively referred to as “the Group”.

These consolidated financial statements have been prepared under the same basis as the consolidated financial statements for the year ended December 31, 2008.

Except for classification of financial statements in compliance with the notification of the Department of Business Development, dated January 30, B.E. 2552 (2009), “Regulation of the Abbreviated components required in the financial statements, B.E. 2552 (2009)” under the third paragraph of section 11 of the Accounting Act, B.E. 2543 (2000) which is effective for accounting periods beginning on or after January 1, 2009.

During the period, the Company has begun to include a subsidiary named PTT Tank Terminal Co., Ltd. (PTT TANK) in the consolidated financial statements as detailed in Note 5.5.

1.4 Summary of Significant Accounting Policies

The Company has prepared these interim financial statements based on the same accounting policies and computation methods as were applied in the financial statements for the year ended December 31, 2008 which were prepared in accordance with generally accepted accounting principles.

1. General Information (Continued)

1.5 New Accounting Standards and Financial Reporting Standards, including Amendments to Accounting Standards

The Federation of Accounting Professions (FAP) announced the amendments to Thai Accounting Standards which were announced in a Ratchakitchanubeksa and were effective for accounting periods beginning on or after January 1, 2009 as follows:

- ◆Thai Accounting Standard No.36 (revised 2007) Impairment of Assets
- ◆Thai Financial Reporting Standard No.5 Non-current Assets Held for Sale and Discontinued Operations
(revised 2007) (Thai Accounting Standard No.54, formerly)

- ◆Accounting Framework (revised 2007) has been effective date since June 26, 2009

These revised accounting standards and compliance with these accounting standards do not have a significant effect on the consolidated and the separate financial statements.

During the year of 2009, The Federation of Accounting Professions (FAP) announced the renumber of Thai Accounting Standards to follow with International Financial Reporting standards which were classified to Accounting Standards and Financial Reporting Standards. As a result, the renumber of Thai Accounting Standards were changed including the announcements of new Accounting Standards and the amendments to Accounting Standards were announced in a Ratchakitchanubeksa as follows:

- ◆Thai Accounting Standard No.24 (revised 2007) Related Party Disclosures
- ◆Thai Accounting Standard No.40 Investment Property
(These were effective for accounting periods beginning on or after January 1, 2011)

- ◆Thai Accounting Standard No.20 Accounting for Government Grants and Disclosure of Government Assistance
(These were effective for accounting periods beginning on or after January 1, 2012)

2. Cash and Cash Equivalents

Cash and cash equivalents as at June 30, 2009 and December 31, 2008 are as follows:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Cash on hand | 3,416.88 | 389.34 | 233.99 | 243.15 |
| Deposits held at call with banks | 33,321.06 | 32,844.75 | 10,974.26 | 16,012.25 |
| Fixed deposits | 18,540.60 | 17,235.31 | - | 6,000.00 |
| Treasury bills | 29,163.45 | 23,288.95 | 2,446.88 | 386.32 |
| Promissory notes | 5,120.90 | 6,052.00 | 2,000.00 | 4,500.00 |
| Bank of Thailand bonds | 6,871.49 | 11,008.35 | 6,871.49 | 11,008.35 |
| Total | <u>96,434.38</u> | <u>90,818.70</u> | <u>22,526.62</u> | <u>38,150.07</u> |

Cash and cash equivalents as at June 30, 2009 bear interest at rates ranging from 0.01% to 4.20% per annum (December 31, 2008: interest rates ranging from 0.50% to 4.00% per annum).

3. Trade Accounts and Notes Receivable – Others, Net

Trade accounts and notes receivable – others, net as at June 30, 2009 and December 31, 2008 are as follows:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Trade accounts receivable | 80,548.03 | 67,914.73 | 68,234.41 | 55,906.18 |
| Notes receivable | 1,353.90 | 1,404.82 | 1,353.90 | 1,404.82 |
| Total | 81,901.93 | 69,319.55 | 69,588.31 | 57,311.00 |
| <u>Less</u> Allowance for doubtful accounts | 2,489.57 | 2,440.09 | 1,646.24 | 1,571.94 |
| Trade accounts and notes receivable – others, net | <u>79,412.36</u> | <u>66,879.46</u> | <u>67,942.07</u> | <u>55,739.06</u> |

Outstanding trade accounts and notes receivable – others, net as at June 30, 2009 and December 31, 2008 can be aged as follows:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Current | 76,522.43 | 60,623.54 | 66,350.09 | 51,665.22 |
| Overdue | | | | |
| - Up to 3 months | 1,577.99 | 3,199.95 | 735.75 | 1,498.18 |
| - Over 3 months up to 6 months | 498.42 | 1,455.05 | 454.68 | 1,326.93 |
| - Over 6 months up to 12 months | 749.19 | 1,339.37 | 665.92 | 1,319.27 |
| - Over 12 months | 2,553.90 | 2,701.64 | 1,381.87 | 1,501.40 |
| Total | 81,901.93 | 69,319.55 | 69,588.31 | 57,311.00 |
| <u>Less</u> Allowance for doubtful accounts | 2,489.57 | 2,440.09 | 1,646.24 | 1,571.94 |
| Trade accounts and notes receivable - others, net | <u>79,412.36</u> | <u>66,879.46</u> | <u>67,942.07</u> | <u>55,739.06</u> |

Trade accounts and notes receivable – others, net as at June 30, 2009 include receivables from government agencies and state enterprises in the consolidated financial statements amounting to Baht 13,226.97 million (December 31, 2008: Baht 16,161.61 million), and in the separate financial statements amounting to Baht 13,045.17 million (December 31, 2008: Baht 15,945.10 million).

4. Related Party Transactions

The significant related party transactions are detailed as follows;

4.1 Trade accounts receivable – related parties, net as at June 30, 2009 and December 31, 2008

Unit: Million Baht

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|------------------------------|--------------------------------------|------------------------------|
| | <u>June 30, 2009</u> | <u>December 31, 2008</u> | <u>June 30, 2009</u> | <u>December 31, 2008</u> |
| Subsidiaries | - | - | 10,685.19 | 7,970.58 |
| Jointly controlled entities | - | - | 143.69 | 117.54 |
| Associates | 54,179.82 | 29,472.11 | 54,122.99 | 29,407.27 |
| Other related parties | 3,511.03 | 2,000.20 | 3,499.56 | 2,000.00 |
| Total | 57,690.85 | 31,472.31 | 68,451.43 | 39,495.39 |
| <u>Less</u> Allowance for doubtful accounts | <u>252.51</u> | <u>260.71</u> | <u>252.51</u> | <u>267.83</u> |
| Trade accounts receivable – related parties, net | <u>57,438.34</u> | <u>31,211.60</u> | <u>68,198.92</u> | <u>39,227.56</u> |

Outstanding trade accounts receivable – related parties, net as at June 30, 2009 and December 31, 2008 can be aged as follows:

Unit: Million Baht

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|--|--|------------------------------|--------------------------------------|------------------------------|
| | <u>June 30, 2009</u> | <u>December 31, 2008</u> | <u>June 30, 2009</u> | <u>December 31, 2008</u> |
| Current | 57,309.37 | 27,844.57 | 64,723.84 | 32,327.99 |
| Overdue | | | | |
| - Up to 3 months | 116.60 | 62.56 | 74.98 | 345.55 |
| - Over 3 months up to 6 months | 47.91 | 3,267.27 | 348.07 | 3,280.93 |
| - Over 6 months up to 12 months | 41.19 | 293.03 | 499.43 | 317.92 |
| - Over 12 months | 175.78 | 4.88 | 2,805.11 | 3,223.00 |
| Total | 57,690.85 | 31,472.31 | 68,451.43 | 39,495.39 |
| <u>Less</u> Allowance for doubtful accounts | <u>252.51</u> | <u>260.71</u> | <u>252.51</u> | <u>267.83</u> |
| Trade accounts receivable – related parties, net | <u>57,438.34</u> | <u>31,211.60</u> | <u>68,198.92</u> | <u>39,227.56</u> |

4. Related Party Transactions (Continued)

4.2 Other accounts receivable, advances and short-term loans – related parties, net as at June 30, 2009 and December 31, 2008

| | Unit: Million Baht | | | |
|---|--|----------------------|--------------------------------------|----------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Other accounts receivable | | | | |
| Subsidiaries | - | - | 899.48 | 1,032.60 |
| Jointly controlled entities | - | - | 221.87 | 283.88 |
| Associates | 600.44 | 550.54 | 596.54 | 545.62 |
| Other related parties | 155.66 | 144.07 | 153.99 | 143.23 |
| Total | 756.10 | 694.61 | 1,871.88 | 2,005.33 |
| <u>Less</u> Allowance for doubtful accounts | 135.94 | 141.67 | 136.02 | 141.75 |
| Other accounts receivable, net | 620.16 | 552.94 | 1,735.86 | 1,863.58 |
| Advances | | | | |
| Associates | 2,012.60 | 354.50 | 2,012.60 | 354.50 |
| Other related parties | 89.18 | 247.25 | 88.52 | 247.25 |
| Total | 2,101.78 | 601.75 | 2,101.12 | 601.75 |
| <u>Less</u> Allowance for doubtful accounts | 376.60 | 354.07 | 376.60 | 354.07 |
| Advances, net | 1,725.18 | 247.68 | 1,724.52 | 247.68 |
| Short-term loans | | | | |
| Subsidiaries | - | - | 18,520.56 | 17,632.25 |
| Jointly controlled entities | - | - | 1,721.34 | 1,685.29 |
| Short-term loans | - | - | 20,241.90 | 19,317.54 |
| Total | 2,345.34 | 800.62 | 23,702.28 | 21,428.80 |

Changes in short-term loans – related parties for the six-month period ended June 30, 2009 are as follows:

| | Unit: Million Baht | |
|---------------------------------|--|--------------------------------------|
| | <u>Consolidated financial statements</u> | <u>Separate financial statements</u> |
| Balance as at December 31, 2008 | - | 19,317.54 |
| - Payment for loans granted | - | 924.36 |
| Balance as at June 30, 2009 | - | 20,241.90 |

Short-term loans to related parties are unsecured and bear interest at rates ranging from 2.45% to 7.25% per annum.

4. Related Party Transactions (Continued)

4.3 Other accounts receivable, advances and long-term loans – related parties, net as at June 30, 2009 and December 31, 2008

| | Unit: Million Baht | | | |
|---------------------------|--|------------------------|--------------------------------------|-------------------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Other accounts receivable | | | | |
| Subsidiaries | - | - | 271.11 | 278.44 |
| Associates | 1,555.22 | 1,450.07 | 1,555.22* | 1,450.07 |
| | <u>1,555.22</u> | <u>1,450.07</u> | <u>1,826.33</u> | <u>1,728.51</u> |
| Advances | | | | |
| Associates | - | 0.22 | - | 0.22 |
| | <u>-</u> | <u>0.22</u> | <u>-</u> | <u>0.22</u> |
| Long-term loans | | | | |
| Subsidiaries | - | - | 13,632.00 | 12,227.00 |
| Associates | 5,189.99 | 5,050.05 | 5,175.25 | 5,050.05 |
| | <u>5,189.99</u> | <u>5,050.05</u> | <u>18,807.25</u> | <u>17,277.05</u> |
| Total | <u><u>6,745.21</u></u> | <u><u>6,500.34</u></u> | <u><u>20,633.58</u></u> | <u><u>19,005.78</u></u> |

* As at June 30, 2009, these include accrued interest income from an associate amounting to Baht 1,555.22 million, which is due to be paid after this associate makes redemption of its debentures.

Changes in long-term loans – related parties for the six-month period ended June 30, 2009 are as follows:

| | Unit: Million Baht | |
|---------------------------------|--|--------------------------------------|
| | <u>Consolidated financial statements</u> | <u>Separate financial statements</u> |
| Balance as at December 31, 2008 | 5,050.05 | 17,277.05 |
| - Payment for loans granted | 139.94 | 4,030.20 |
| - Receipt from loans granted | - | (2,500.00) |
| Balance as at June 30, 2009 | <u><u>5,189.99</u></u> | <u><u>18,807.25</u></u> |

Long-term loans - related parties are unsecured and bear interest at rates ranging from 3.38% to 7.25% per annum.

4. Related Party Transactions (Continued)

4.4 Trade accounts payable – related parties as at June 30, 2009 and December 31, 2008

Unit: Million Baht

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|------------------------------|--------------------------------------|------------------------------|
| | <u>June 30, 2009</u> | <u>December 31, 2008</u> | <u>June 30, 2009</u> | <u>December 31, 2008</u> |
| Subsidiaries | - | - | 9,484.40 | 10,538.81 |
| Jointly controlled entities | - | - | 2,946.98 | 4,491.19 |
| Associates | 28,102.63 | 14,327.19 | 26,090.33 | 13,382.84 |
| Other related parties | <u>1,531.23</u> | <u>1,068.60</u> | <u>556.96</u> | <u>229.51</u> |
| Total | <u>29,633.86</u> | <u>15,395.79</u> | <u>39,078.67</u> | <u>28,642.35</u> |

4.5 Other accounts payable – related parties as at June 30, 2009 and December 31, 2008

Unit: Million Baht

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|------------------------------|--------------------------------------|------------------------------|
| | <u>June 30, 2009</u> | <u>December 31, 2008</u> | <u>June 30, 2009</u> | <u>December 31, 2008</u> |
| Subsidiaries | - | - | 311.18 | 72.43 |
| Jointly controlled entities | - | - | 506.73 | 1.76 |
| Associates | 467.65 | 235.64 | 457.98 | 223.25 |
| Other related parties | <u>194.48</u> | <u>182.27</u> | <u>100.08</u> | <u>87.73</u> |
| Total | <u>662.13</u> | <u>417.91</u> | <u>1,357.97</u> | <u>385.17</u> |

4.6 Other long-term accounts payable – related parties as at June 30, 2009 and December 31, 2008

Unit: Million Baht

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|-----------------------------|--|------------------------------|--------------------------------------|------------------------------|
| | <u>June 30, 2009</u> | <u>December 31, 2008</u> | <u>June 30, 2009</u> | <u>December 31, 2008</u> |
| Subsidiaries | - | - | 10.65 | 11.13 |
| Jointly controlled entities | - | - | 14.96 | 15.32 |
| Associates | 21.52 | 22.38 | 21.52 | 22.38 |
| Other related parties | <u>733.99</u> | <u>749.89</u> | <u>733.99</u> | <u>749.89</u> |
| Total | <u>755.51</u> | <u>772.27</u> | <u>781.12</u> | <u>798.72</u> |

4. Related Party Transactions (Continued)

4.7 Revenue and expense transactions carried out with related parties

For the three-month periods ended June 30, 2009 and 2008

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|-----------------------------------|------------|-------------------------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues | | | | |
| Sales: | | | | |
| Subsidiaries | - | - | 17,336.74 | 12,675.34 |
| Jointly controlled entities | - | - | 343.59 | 280.89 |
| Associates | 138,662.44 | 257,952.81 | 138,596.10 | 257,928.26 |
| Other related parties | 5,509.64 | 5,308.59 | 5,496.48 | 5,308.59 |
| Interest income: | | | | |
| Subsidiaries | - | - | 554.40 | 427.75 |
| Jointly controlled entities | - | - | 24.38 | 20.28 |
| Associates | 59.53 | 67.05 | 59.53 | 67.05 |
| Dividend income: | | | | |
| Subsidiaries | - | - | - | 522.00 |
| Jointly controlled entities | - | - | 17.38 | 69.16 |
| Associates | - | - | 3,299.40 | 10,724.77 |
| Other related parties | 33.00 | 41.52 | 33.00 | 41.52 |
| Other income: | | | | |
| Subsidiaries | - | - | 248.45 | 106.78 |
| Jointly controlled entities | - | - | 25.36 | 53.11 |
| Associates | 257.81 | 4,572.54 | 257.20 | 4,572.29 |
| Other related parties | 31.12 | 9.46 | 31.40 | 9.30 |
| Expenses | | | | |
| Purchases: | | | | |
| Subsidiaries | - | - | 23,794.29 | 33,504.83 |
| Jointly controlled entities | - | - | 7,612.84 | 6,364.34 |
| Associates | 99,021.94 | 166,029.57 | 96,048.05 | 162,466.87 |
| Other related parties | 4,570.99 | 5,292.92 | 2,024.42 | 1,646.27 |
| Other expenses: | | | | |
| Subsidiaries | - | - | 149.43 | 40.47 |
| Jointly controlled entities | - | - | 0.12 | 0.10 |
| Associates | 125.79 | 89.42 | 121.79 | 85.39 |
| Other related parties | 201.32 | 174.25 | 201.07 | 172.61 |

4. Related Party Transactions (Continued)

4.7 Revenue and expense transactions carried out with related parties (Continued)

For the six-month periods ended June 30, 2009 and 2008

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|-----------------------------------|------------|-------------------------------|------------|
| | 2009 | 2008 | 2009 | 2008 |
| Revenues | | | | |
| Sales: | | | | |
| Subsidiaries | - | - | 30,679.43 | 25,764.66 |
| Jointly controlled entities | - | - | 656.60 | 552.83 |
| Associates | 248,734.03 | 472,433.88 | 248,580.42 | 472,395.68 |
| Other related parties | 9,610.20 | 8,983.27 | 9,585.45 | 8,983.27 |
| Interest income: | | | | |
| Subsidiaries | - | - | 1,099.70 | 943.67 |
| Jointly controlled entities | - | - | 48.34 | 40.57 |
| Associates | 151.49 | 136.90 | 151.49 | 136.90 |
| Dividend income: | | | | |
| Subsidiaries | - | - | 5,548.80 | 4,141.73 |
| Jointly controlled entities | - | - | 17.38 | 69.16 |
| Associates | - | - | 3,299.40 | 12,422.61 |
| Other related parties | 33.00 | 41.52 | 33.00 | 41.52 |
| Other income: | | | | |
| Subsidiaries | - | - | 330.21 | 385.61 |
| Jointly controlled entities | - | - | 42.97 | 59.69 |
| Associates | 2,415.91 | 6,979.53 | 2,414.96 | 6,979.04 |
| Other related parties | 50.31 | 22.31 | 50.13 | 21.98 |
| Expenses | | | | |
| Purchases: | | | | |
| Subsidiaries | - | - | 45,499.05 | 54,456.83 |
| Jointly controlled entities | - | - | 14,791.63 | 13,145.80 |
| Associates | 175,953.86 | 305,367.14 | 170,595.27 | 298,281.32 |
| Other related parties | 8,341.62 | 9,106.93 | 3,502.79 | 2,879.92 |
| Other expenses: | | | | |
| Subsidiaries | - | - | 288.46 | 198.30 |
| Jointly controlled entities | - | - | 0.23 | 0.22 |
| Associates | 413.14 | 169.41 | 405.92 | 164.83 |
| Other related parties | 393.89 | 390.17 | 393.64 | 387.72 |

The related party transactions stated above exclude transactions carried out with government agencies and state enterprises.

The stipulated prices for transactions between the Company and its related parties are based on the normal prices used in the same type of business for transactions with others. Goods purchased from subsidiaries are purchased at normal prices determined by the subsidiaries with reference to global market prices.

4. Related Party Transactions (Continued)

4.8 Details of commitments to subsidiaries, jointly controlled entities, associates and other related parties are provided in Note 22.1.

4.9 Directors' Remuneration

Directors' remuneration comprises directors' meeting fees and bonuses.

4.10 Crude oil purchase and sales transactions carried out with related parties without the delivery of products, with the objective of maintaining crude oil reserves, were offset in the financial statements. The details are as follows:

For the three-month periods ended June 30, 2009 and 2008:

| | Unit: Million Baht | | | |
|------------|--|-------------|--------------------------------------|-------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Sales | | | | |
| Associates | 333.59 | 2,664.06 | 333.59 | 2,664.06 |
| Purchases | | | | |
| Associates | 333.59 | 2,664.06 | 333.59 | 2,664.06 |

For the six-month periods ended June 30, 2009 and 2008:

| | Unit: Million Baht | | | |
|------------|--|-------------|--------------------------------------|-------------|
| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
| | <u>2009</u> | <u>2008</u> | <u>2009</u> | <u>2008</u> |
| Sales | | | | |
| Associates | 3,059.94 | 10,416.79 | 3,059.94 | 10,416.79 |
| Purchases | | | | |
| Associates | 3,059.94 | 10,416.79 | 3,059.94 | 10,416.79 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates

5.1 Details of subsidiaries, jointly controlled entities and associates of the Company

| Company | Country of incorporation | Business | Shareholding Percentage | |
|---|--------------------------|--|-------------------------|-------------------|
| | | | June 30, 2009 | December 31, 2008 |
| <u>Subsidiaries:</u> | | | | |
| PTT Exploration and Production Public Co., Ltd. (PTTEP) | Thailand | Petroleum exploration and production | 65.53 | 65.54 |
| PTT (Cambodia) Co., Ltd. (PTTCL) | Cambodia | Oil marketing | 100.00 | 100.00 |
| Subic Bay Energy Co., Ltd. (SBECL) | Cayman Islands | Oil marketing | 100.00 | 100.00 |
| Retail Business Alliance Co., Ltd. (RBA) | Thailand | Management services and oil marketing | 49.00 | 49.00 |
| PTT International Trading Pte. Ltd. (PTTT) | Singapore | International oil trading | 100.00 | 100.00 |
| PTT Natural Gas Distribution Co., Ltd. (PTTNGD) | Thailand | Natural gas | 58.00 | 58.00 |
| PTT LNG Co., Ltd. (PTTLNG) | Thailand | Natural gas | 100.00 | 100.00 |
| PTT Polymer Marketing Co., Ltd (PTTPM) | Thailand | Polymer marketing | 50.00 | 50.00 |
| Energy Complex Co., Ltd. (EnCo) | Thailand | Commercial | 50.00 | 50.00 |
| PTT Polymer Logistics Co., Ltd. (PTTPL) | Thailand | Logistics services | 100.00 | 100.00 |
| PTT Retail Business Co., Ltd. (PTTRB) | Thailand | Management services and oil marketing | 100.00 | 100.00 |
| Combined Heat and Power Producing Co., Ltd. (CHPP) | Thailand | Generation and supply of electricity and chilled water | 100.00 | 100.00 |
| PTT International Co., Ltd. (PTT INTER) | Thailand | Petroleum | 100.00 | 100.00 |
| PTT Green Energy Pte. Ltd. (PTTGE) | Singapore | Petroleum | 100.00 | 100.00 |
| Business Services Alliance Co., Ltd.(BSA) | Thailand | Management services | 25.00 | 25.00 |
| PTT Tank Terminal Co., Ltd.(PTT TANK) | Thailand | Terminal and warehouse | 100.00 | - |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.1 Details of subsidiaries, jointly controlled entities and associates of the Company (Continued)

| Company | Country of incorporation | Business | Shareholding Percentage | |
|--|--------------------------|---|-------------------------|-------------------|
| | | | June 30, 2009 | December 31, 2008 |
| <u>Jointly controlled entities:</u> | | | | |
| Trans Thai-Malaysia (Thailand) Co., Ltd. (TTM (T)) | Thailand | Natural gas | 50.00 | 50.00 |
| Trans Thai-Malaysia (Malaysia) Sdn. Bhd. (TTM (M)) | Malaysia | Natural gas | 50.00 | 50.00 |
| District Cooling System and Power Plant Co., Ltd. (DCAP) | Thailand | Generation and supply of electricity and chilled water | 35.00 | 35.00 |
| PTT Asahi Chemicals Co., Ltd. (PTTAC) | Thailand | Petrochemicals | 48.50 | 48.50 |
| HMC Polymers Co., Ltd. (HMC) | Thailand | Petrochemicals | 41.44 | 41.44 |
| <u>Associates:</u> | | | | |
| Thai Oil Public Co., Ltd. (TOP) | Thailand | Refining | 49.10 | 49.10 |
| Star Petroleum Refining Co., Ltd. (SPRC) | Thailand | Refining | 36.00 | 36.00 |
| Bangchak Petroleum Public Co., Ltd. (BCP) | Thailand | Refining | 29.75 | 29.75 |
| Thai Lube Blending Co., Ltd. (TLBC) | Thailand | Blending and bottling of lube oil | 48.95 | 48.95 |
| Thai Petroleum Pipeline Co., Ltd. (THAPPLINE) | Thailand | Oil transmission pipeline | 33.19 | 33.19 |
| Petro Asia (Thailand) Co., Ltd. (PA (Thailand)) | Thailand | Oil marketing | 35.00 | 35.00 |
| Vietnam LPG Co., Ltd. (VLPG) | Vietnam | Bottling and selling LPG | 45.00 | 45.00 |
| KELOIL-PTT LPG Sdn. Bhd. (KPL) | Malaysia | Bottling and selling LPG | 40.00 | 40.00 |
| IRPC Public Co., Ltd. (IRPC) | Thailand | Petrochemicals and refining | 36.77 | 36.77 |
| Independent Power (Thailand) Co., Ltd. (IPT) | Thailand | Electricity generation | 20.00 | 20.00 |
| Thai Oil Power Co., Ltd. (TP) | Thailand | Generation and supply of electricity | 26.00 | 26.00 |
| PTT Phenol Co., Ltd. (PPCL) | Thailand | Petrochemicals | 40.00 | 40.00 |
| PTT Chemical Public Co., Ltd. (PTTCH) | Thailand | Petrochemicals | 49.30 | 49.30 |
| PTT Utility Co., Ltd. (PTTUT) | Thailand | Generation and supply of electricity steam and water for industry | 40.00 | 40.00 |
| PTT ICT Solutions Co., Ltd. (PTTICT) | Thailand | Communication and technology services | 20.00 | 20.00 |
| PTT Aromatics and Refining Public Co., Ltd. (PTTAR) | Thailand | Petrochemicals and refining | 48.66 | 48.66 |
| PTT Maintenance & Engineering Co., Ltd. (PTTME) (Formerly Alliance Plant Service Co., Ltd. (APS)) | Thailand | Factory maintenance and engineering services | 40.00 | 40.00 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.2 Investments in associates in the consolidated financial statements as at June 30, 2009 and December 31, 2008

Consolidated financial statements

Unit: Million Baht

| Company | Shareholding Percentage | | June 30, 2009 | | December 31, 2008 | | Dividends for the six-month periods ended June 30 | |
|-------------------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|------------------|
| | June 30, 2009 | December 31, 2008 | Cost method | Equity Method | Cost method | Equity method | 2009 | 2008 |
| Associates: | | | | | | | | |
| Refining Business Group | | | | | | | | |
| 1 TOP | 49.10 | 49.10 | 11,380.83 | 32,012.76 | 11,380.83 | 29,143.05 | 1,001.65 | 2,754.53 |
| 2 SPRC | 36.00 | 36.00 | 14,770.48 | 16,924.15 | 14,770.48 | 15,608.94 | - | 1,624.77 |
| 3 BCP | 29.75 | 29.75 | 4,060.18 | 5,713.81 | 4,060.18 | 4,639.40 | 166.46 | 99.88 |
| 4 PTTAR | 48.66 | 48.66 | 12,820.01 | 27,715.14 | 12,820.01 | 26,414.04 | 720.99 | 3,604.97 |
| 5 IRPC | 36.77 | 36.77 | 25,853.29 | 27,033.36 | 25,853.29 | 26,062.15 | 579.72 | 1,313.73 |
| Oil Business Group | | | | | | | | |
| 6 THAPLINE | 33.19 | 33.19 | 2,682.35 | 578.41 | 2,682.35 | 349.17 | - | - |
| 7 TLBC | 48.95 | 48.95 | 140.00 | 149.59 | 140.00 | 144.95 | 1.54 | - |
| 8 PA (Thailand) | 35.00 | 35.00 | 131.25 | - | 131.25 | - | - | - |
| 9 V LPG | 45.00 | 45.00 | 87.35 | 105.50 | 87.35 | 97.31 | - | - |
| 10 KPL | 40.00 | 40.00 | 21.49 | 16.88 | 21.49 | 27.73 | - | - |
| 11 FST | 25.00 | 25.00 | 1.13 | 1.32 | 1.13 | 1.30 | - | - |
| Petrochemicals Business Group | | | | | | | | |
| 12 PTCH | 49.30 | 49.30 | 33,520.89 | 52,392.82 | 33,520.89 | 52,293.47 | 780.05 | 3,021.51 |
| 13 PPCL | 40.00 | 40.00 | 3,025.20 | 2,618.69 | 2,756.80 | 2,448.44 | - | - |
| 14 PTTME (Formerly APS) | 40.00 | 40.00 | 66.40 | 124.79 | 28.51 | 37.05 | - | - |
| Natural Gas Business Group | | | | | | | | |
| 15 IPT | 20.00 | 20.00 | 400.19 | 1,475.53 | 400.19 | 1,436.96 | 18.06 | - |
| 16 AMATA NGD | 50.00 | 50.00 | 80.00 | 259.36 | 80.00 | 247.21 | - | 80.00 |
| 17 TP | 26.00 | 26.00 | 2,304.76 | 2,062.17 | 2,304.76 | 2,060.44 | 73.06 | 73.06 |
| 18 PTTUT | 40.00 | 40.00 | 2,743.60 | 2,490.23 | 2,743.60 | 2,478.11 | - | - |
| 19 EMG | 25.00 | 25.00 | 16,544.61 | 14,811.39 | 16,544.61 | 15,703.79 | - | - |
| Coal Business Group | | | | | | | | |
| 20 RIM | 33.50 | - | 1,406.64 | 1,394.76 | - | - | - | - |
| Other Business Group | | | | | | | | |
| 21 PTTICT | 20.00 | 20.00 | 60.00 | 106.36 | 60.00 | 93.12 | - | - |
| 22 ShoreAir | 50.00 | - | 16.88 | 58.13 | - | - | - | - |
| Total | | | 132,117.53 | 188,045.15 | 130,387.72 | 179,286.63 | 3,341.53 | 12,572.45 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at June 30, 2009 and December 31, 2008

Separate financial statements

Unit: Million Baht

| Company | Shareholding Percentage | | Cost method | | Dividends for the six-month periods ended June 30 | |
|---|-------------------------|-------------------|---------------|-------------------|---|----------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 | 2009 | 2008 |
| Subsidiaries: | | | | | | |
| 1 PTTEP | 65.53 | 65.54 | 11,131.33 | 11,131.33 | 5,548.80 | 3,619.73 |
| 2 PTTT | 100.00 | 100.00 | 2.50 | 2.50 | - | - |
| 3 PTTCL | 100.00 | 100.00 | 0.23 | 0.23 | - | - |
| 4 SBECL | 100.00 | 100.00 | 1,154.81 | 1,154.81 | - | - |
| 5 PTTNGD | 58.00 | 58.00 | 418.14 | 418.14 | - | 522.00 |
| 6 PTTLNG | 100.00 | 100.00 | 1,638.25 | 1,638.25 | - | - |
| 7 PTTPM | 50.00 | 50.00 | 20.00 | 20.00 | - | - |
| 8 EnCo | 50.00 | 50.00 | 900.00 | 400.00 | - | - |
| 9 RBA | 49.00 | 49.00 | 0.49 | 0.49 | - | - |
| 10 PTTPL | 100.00 | 100.00 | 1,200.00 | 1,200.00 | - | - |
| 11 PTTTB | 100.00 | 100.00 | 5,100.00 | 5,100.00 | - | - |
| 12 CHPP | 100.00 | 100.00 | 270.00 | 270.00 | - | - |
| 13 PTT INTER | 100.00 | 100.00 | 8,682.00 | 100.00 | - | - |
| 14 PTTGE | 100.00 | 100.00 | 5,906.05 | 2,714.33 | - | - |
| 15 BSA | 25.00 | 25.00 | 0.50 | 0.50 | - | - |
| 16 PTT TANK | 100.00 | - | 250.36 | - | - | - |
| Total Investment in Subsidiaries | | | 36,674.66 | 24,150.58 | 5,548.80 | 4,141.73 |
| Jointly Controlled Entities: | | | | | | |
| Natural Gas Business Group | | | | | | |
| 17 TTM(T) | 50.00 | 50.00 | 5,490.00 | 5,320.00 | - | - |
| 18 TTM(M) | 50.00 | 50.00 | 281.32 | 281.32 | - | - |
| 19 DCAP | 35.00 | 35.00 | 350.00 | 350.00 | - | - |
| Petrochemicals Business Group | | | | | | |
| 20 PTTAC | 48.50 | 48.50 | 4,534.25 | 3,054.50 | - | - |
| 21 HMC | 41.44 | 41.44 | 9,117.12 | 9,117.12 | 17.38 | 69.16 |
| Total Investment in Jointly Controlled Entities | | | 19,772.69 | 18,122.94 | 17.38 | 69.16 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.3 Investments in subsidiaries, jointly controlled entities and associates in the separate financial statements as at June 30, 2009 and December 31, 2008 (Continued)

Separate financial statements (Continued)

Unit: Million Baht

| Company | Shareholding Percentage | | Cost method | | Dividends for the six-month periods ended June 30 | |
|--------------------------------|-------------------------|-------------------|---------------|-------------------|---|-----------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 | 2009 | 2008 |
| Associates: | | | | | | |
| Refining Business Group | | | | | | |
| 22 TOP | 49.10 | 49.10 | 11,380.83 | 11,380.83 | 1,001.65 | 2,754.53 |
| 23 SPRC | 36.00 | 36.00 | 14,770.48 | 14,770.48 | - | 1,624.77 |
| 24 BCP | 29.75 | 29.75 | 4,060.18 | 4,060.18 | 166.46 | 99.88 |
| 25 PTTAR | 48.66 | 48.66 | 12,820.01 | 12,820.01 | 720.99 | 3,604.97 |
| 26 IRPC | 36.77 | 36.77 | 25,853.29 | 25,853.29 | 579.72 | 1,313.73 |
| Oil Business Group | | | | | | |
| 27 THAPPLINE | 33.19 | 33.19 | 2,682.35 | 2,682.35 | - | - |
| 28 TLBC | 48.95 | 48.95 | 140.00 | 140.00 | 1.54 | - |
| 29 PA (Thailand) | 35.00 | 35.00 | 131.25 | 131.25 | - | - |
| 30 V LPG | 45.00 | 45.00 | 87.35 | 87.35 | - | - |
| 31 KPL | 40.00 | 40.00 | 21.49 | 21.49 | - | - |
| Petrochemicals Business Group | | | | | | |
| 32 PTTCH | 49.30 | 49.30 | 32,079.42 | 32,079.42 | 737.92 | 2,951.67 |
| 33 PPCL | 40.00 | 40.00 | 3,025.20 | 2,756.80 | - | - |
| 34 PTTME(Formerly APS) | 40.00 | 40.00 | 66.41 | 28.51 | - | - |
| Natural Gas Business Group | | | | | | |
| 35 IPT | 20.00 | 20.00 | 400.19 | 400.19 | 18.06 | - |
| 36 TP | 26.00 | 26.00 | 2,304.76 | 2,304.76 | 73.06 | 73.06 |
| 37 PTTUT | 40.00 | 40.00 | 2,743.60 | 2,743.60 | - | - |
| Others Business Group | | | | | | |
| 38 PTTICT | 20.00 | 20.00 | 30.00 | 30.00 | - | - |
| Total Investment in Associates | | | 112,596.81 | 112,290.51 | 3,299.40 | 12,422.61 |
| Total | | | 169,044.16 | 154,564.03 | 8,865.58 | 16,633.50 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.4 Share of net assets and results of operations from jointly controlled entities which are included in the consolidated financial statements as at June 30, 2009 and December 31, 2008 are as follows:

Balance Sheets:

As at June 30, 2009 and December 31, 2008

Unit: Million Baht

| | June 30, 2009 | | | | | December 31, 2008 | | | | |
|-------------------------|---------------|----------|----------|------------|------------|-------------------|----------|----------|----------|------------|
| | TTM(T) | TTM(M) | DCAP | PTTAC | HMC | TTM(T) | TTM(M) | DCAP | PTTAC | HMC |
| Current assets | 3,327.47 | 114.71 | 174.86 | 2,781.96 | 2,314.14 | 2,458.49 | 109.52 | 195.56 | 1,622.33 | 2,175.17 |
| Non-current assets | 13,922.25 | 670.04 | 834.03 | 3,357.84 | 10,606.25 | 14,016.55 | 711.09 | 863.43 | 1,704.76 | 9,990.82 |
| Current liabilities | (3,390.92) | (53.12) | (141.32) | (46.57) | (764.01) | (3,100.28) | (50.50) | (138.56) | (272.40) | (664.49) |
| Non-current liabilities | (7,773.61) | (527.17) | (598.50) | (1,561.43) | (4,171.34) | (7,982.04) | (540.76) | (637.00) | (4.62) | (3,939.56) |
| Net assets | 6,085.19 | 204.46 | 269.07 | 4,531.80 | 7,985.04 | 5,392.72 | 229.35 | 283.43 | 3,050.07 | 7,561.94 |

Statements of Income:

For the three-month periods ended June 30, 2009 and 2008

Unit: Million Baht

| | 2009 | | | | | 2008 | | | | |
|-------------------------|----------|---------|----------|---------|------------|----------|---------|----------|--------|------------|
| | TTM(T) | TTM(M) | DCAP | PTTAC | HMC | TTM(T) | TTM(M) | DCAP | PTTAC | HMC |
| Income | 856.69 | 40.81 | 144.03 | 49.68 | 1,956.69 | 365.10 | 20.39 | 170.27 | 5.53 | 2,361.57 |
| Expenses | (384.21) | (25.74) | (150.70) | (28.30) | (1,548.94) | (812.05) | (35.42) | (139.02) | (6.27) | (2,122.61) |
| Gain(loss) before taxes | 472.48 | 15.07 | (6.67) | 21.38 | 407.75 | (446.95) | (15.03) | 31.25 | (0.74) | 238.96 |
| Income taxes | - | - | - | - | (90.37) | - | 0.32 | - | - | (38.81) |
| Net income(loss) | 472.48 | 15.07 | (6.67) | 21.38 | 317.38 | (446.95) | (14.71) | 31.25 | (0.74) | 200.15 |

For the six-month periods ended June 30, 2009 and 2008

Unit: Million Baht

| | 2009 | | | | | 2008 | | | | |
|-------------------------|----------|---------|----------|---------|------------|----------|---------|----------|---------|------------|
| | TTM(T) | TTM(M) | DCAP | PTTAC | HMC | TTM(T) | TTM(M) | DCAP | PTTAC | HMC |
| Income | 1,290.38 | 35.44 | 285.79 | 43.06 | 3,416.95 | 771.24 | 46.97 | 304.88 | 5.55 | 4,708.64 |
| Expenses | (767.91) | (51.53) | (300.14) | (40.57) | (2,850.85) | (677.07) | (48.46) | (274.89) | (10.14) | (4,130.76) |
| Gain(loss) before taxes | 522.47 | (16.09) | (14.35) | 2.49 | 566.10 | 94.17 | (1.49) | 29.99 | (4.59) | 577.88 |
| Income taxes | - | - | - | - | (123.93) | - | 0.32 | - | - | (94.46) |
| Net income(loss) | 522.47 | (16.09) | (14.35) | 2.49 | 442.17 | 94.17 | (1.17) | 29.99 | (4.59) | 483.42 |

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.5 Significant events during the six-month period ended June 30, 2009

PTTEP

During the period, PTTEP's employees exercised the right to purchase ordinary shares under the Employee Stock Ownership Program (ESOP) as detailed in Note 14. The effect arising from the dilution of investments amounting to Baht 3.43 million was recognized as a surplus on dilution of investments in subsidiaries and associates in shareholders' equity. Hence, the Company's shareholding in PTTEP was 65.53 as at June 30, 2009.

PTTEP Australasia (Operations) Pty Ltd. (PTTEP AAO), a subsidiary of PTTEP, invested the sum of Baht 16.88 million in ShoreAir Pty Ltd., a company registered in Australia, giving it a shareholding of 50%.

PTTGE

On January 21, 2009, PTTGE's board of directors' meeting passed a resolution to increase the authorized share capital by USD 91 million or approximately Baht 3,191.72 million from Baht 2,714.33 million to Baht 5,906.05 million by issuing 91 million ordinary shares at a par value of USD 1. The Company made a payment for these shares on February 10, 2009. As a result, on June 30, 2009, PTTGE had authorized share capital comprising 173.85 million shares.

TTM(T)

At TTM(T)'s extraordinary shareholders' meeting No. 1/2009 held on January 7, 2009, a resolution was passed to increase the authorized share capital by Baht 693.60 million from Baht 10,640 million to Baht 11,333.60 million by issuing 69.36 million ordinary shares at a par value of Baht 10. TTM(T) called for payment of these additional shares in the amount of Baht 340 million. Accordingly, on March 25, 2009, the Company made a payment of Baht 170 million reflecting its shareholding of 50%.

PPCL

At PPCL's board of directors' meeting No. 1/2009 held on January 21, 2009, a resolution was passed to have its shareholders pay for the remaining unpaid shares in the amount of Baht 108 million. Accordingly, on February 12, 2009, the Company made a payment of Baht 43.20 million reflecting its shareholding of 40%.

At PPCL's extraordinary shareholders' meeting No. 2/2009 held on February 20, 2009, a resolution was passed to increase the authorized share capital by Baht 2,252 million from Baht 7,000 million to Baht 9,252 million by issuing 22.52 million ordinary shares at a par value of Baht 100. PPCL called for payment of 25% amounting to Baht 563 million. Thus, on March 13, 2009, the Company made a payment of Baht 225.20 million reflecting its shareholding of 40%.

PTT TANK

At the Company's board of directors' meeting No. 9/2008 held on September 19, 2008, a resolution was passed to establish PTT Tank Terminal Co., Ltd. (PTT TANK) to develop the terminal area and liquid product warehouses. PTT TANK was registered on March 6, 2009, with registered share capital of Baht 1,000 million comprising ten million shares of Baht 100 per share. The Company has a 100% shareholding in PTT Tank. PTT TANK called for payment of 25% of the shares, amounting to Baht 250 million. Thus, on February 25, 2009, the Company made this payment.

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.5 Significant events during the six-month period ended June 30, 2009 (Continued)

PTT INTER

PTT INTER's ordinary shareholders' meeting held on April 1, 2009 passed a resolution to increase the authorized share capital by Baht 16,500 million from Baht 100 million to Baht 16,600 million by issuing 1,650 million ordinary shares at a par value of Baht 10. PTT INTER called for the first payment of 25%, amounting to Baht 4,125 million. Hence, the Company made a payment on April 7, 2009. On April 20, 2009, PTT INTER called for the second payment in the amount of Baht 4,457 million. Hence, the Company made a payment on April 24, 2009.

On April 28, 2009, Lints Limited, Hong Kong (Lints), a subsidiary of PTT INTER, acquired Straits Bulk and Industrial Pty Limited (SBI) in the 60% interest from Straits Resources Limited (SRL) and made the first payment amounting to USD 219.87 million or approximately Baht 7,822 million and received the transferred SBI stock on the acquisition date. As SBI holds 47.1% interest in Straits Asia Resources (SAR), a company listed with the Singapore Exchange Securities Trading Limited (SGX), the acquisition of the 60% interest in SBI by Lints triggered a mandatory general offer of SAR. As a result, Lints was required to make an offer for all of the remaining SAR shares on the SGX at SGD 0.807 per share.

On June 15, 2009, Lints had completed the offer for all the remaining issued shares and received acceptance of the offer for 2,563,098 shares representing approximately 0.23% of all SAR shares. The offer has not become unconditional in accordance with the terms of the offer. Therefore the relevant number of offer shares in respect of which the SAR shareholders have accepted the offer has been transferred back to the respective securities accounts of each accepting shareholder. As a result, the total numbers of SAR shares owned and controlled by Lints and parties acting in concert with it remain the same as an aggregate amount of 514,679,220 shares, representing approximately 47.1% of all the SAR shares.

As a result of the acquisition of shares in SBI by Lints, a subsidiary of PTT INTER, on April 28, 2009, an investment in Red Island Mineral (RIM) has arisen. SBI has 33.50% shareholding in RIM. RIM operates a venture capital business with the Madagascar government involved in the exploration and development of coal mining.

On June 29, 2009, SBI registered a changed in name from Straits Bulk and Industrial Pty Limited to PTT Asia Pacific Mining Pty Ltd.(PTTAPM).

PTTAC

PTTAC's board of directors' meeting No. 2/2009 held on February 27, 2009 passed a resolution to call for the third payment for additional authorized share capital of 25% amounting to Baht 1,479.75 million. Hence, the Company made a payment on May 25, 2009.

PTTME (APS)

PTTME's ordinary shareholders' meeting held on April 21, 2009 passed a resolution to increase the authorized share capital by Baht 157.8774 million from Baht 42.1226 million to Baht 200 million by issuing 1,578,774 million ordinary shares at a par value of Baht 100. PTTME called for the first payment of 60%. Hence, on April 30, 2009, the Company made a payment amounting to Baht 37.89 million reflecting the shareholding of 40%.

On June 18, 2009, APS registered a changed in name from Alliance Plant Service Co., Ltd.(APS) to PTT Maintenance and Engineering Co., Ltd.(PTTME).

5. Investments in Subsidiaries, Jointly Controlled Entities and Associates (Continued)

5.5 Significant events during the six-month period ended June 30, 2009 (Continued)

ENCO

ENCO's ordinary shareholders' meeting held on April 22, 2009 passed a resolution to increase the authorized share capital by Baht 1,000 million from Baht 800 million to Baht 1,800 million by issuing 100 million ordinary shares at a par value of Baht 10. ENCO called for full payment in respect of this additional capital. On May 25, 2009, the Company made a payment amounting to Baht 500 million reflecting its interest of 50%.

5.6 Additional information in respect of associates

5.6.1 The Company has not recognized the share of net profit(loss) from some associates for the three-month period ended June 30, 2009 amounting to Baht 1.29 million (2008: Baht (0.06) million) and for the six-month period ended June 30, 2009 amounting to Baht 1.73 million (2008: Baht 0.16 million) because as at June 30, 2009, the Company had an unrealized accumulated loss carried forward from associates amounting to Baht 66.33 million (December 31, 2008: Baht 68.06 million).

5.6.2 The fair value of investments in associates which have equity securities traded on the Stock Exchange of Thailand (SET) is calculated based on the current bid price at the balance sheet date. The details are as follows:

The fair value of investments in associates as at June 30, 2009 and December 31, 2008

| <u>Associates</u> | <u>June 30, 2009</u> | Unit: Million Baht |
|-------------------|----------------------|--------------------------|
| | | <u>December 31, 2008</u> |
| PTTCH | 38,556.18 | 23,244.39 |
| BCP | 4,694.17 | 2,580.13 |
| IRPC | 23,478.52 | 15,652.35 |
| TOP | 35,558.48 | 23,638.88 |
| PTTAR | 26,099.97 | 14,131.48 |

6. Other Long-term Investments, Net

6.1 Other long-term investments, net as at June 30, 2009 and December 31, 2008 are as follows:

| | Unit: Million Baht | | | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| General investments | 2,349.78 | 2,247.63 | 1,106.12 | 1,106.12 |
| Investments in available-for-sale securities | | | | |
| - Investments in equity instruments | 336.00 | 336.00 | 336.00 | 336.00 |
| - Investments in debt securities | 585.60 | 585.60 | 585.60 | 585.60 |
| - Investments in mutual funds | 5,343.16 | 5,343.16 | 5,343.16 | 5,343.16 |
| Allowance for increase in fair value of investments | 708.61 | (727.65) | 708.61 | (727.65) |
| Total | 9,323.15 | 7,784.74 | 8,079.49 | 6,643.23 |

6.2 Details of other long-term investments of the Company are as follows:

| Company | Country of incorporation | Business | Shareholding Percentage | |
|--|-----------------------------|------------------------------|----------------------------|----------------------|
| | | | June 30, 2009 | December 31, 2008 |
| Petro Asia (Huizhou) Co., Ltd. (PA (Huizhou)) | China | Oil marketing | 25.00 | 25.00 |
| Petro Asia (Shantou) Co., Ltd. (PA (Shantou)) | China | Oil marketing | 15.00 | 15.00 |
| Petro Asia (Maoming) Co., Ltd. (PA (Maoming)) | China | Oil marketing | 20.00 | 20.00 |
| Petro Asia (Sanshui) Co., Ltd. (PA (Sanshui)) | China | Oil marketing | 25.00 | 25.00 |
| PTT Mart Co., Ltd. (PTT Mart) | Thailand | Management services | 49.00 | 49.00 |
| Fuel Pipeline Transportation Co., Ltd. (FPT) | Thailand | Oil pipeline | 2.76 | 2.76 |
| Intoplane Services Co., Ltd. (IPS) | Thailand | Aircraft refuelling services | 16.67 | 16.67 |
| Ratchaburi Power Co., Ltd. (RPCL) | Thailand | Electricity generation | 15.00 | 15.00 |
| Dhipaya Insurance Public Co., Ltd. (TIP) | Thailand | Insurance | 13.33 | 13.33 |
| Bangkok Aviation Fuel Services Public Co., Ltd. (BAFS) | Thailand | Aircraft refuelling services | 7.06 | 7.06 |

6. Other Long-term Investments, Net (Continued)

6.3 Other long-term investments, net as at June 30, 2009 and December 31, 2008 are as follows:

Unit: Million Baht

| Company | Shareholding Percentage | | Consolidated financial statements | | Separate financial statements | | Dividends for the six-month periods ended June 30 | |
|---|-------------------------|-------------------|-----------------------------------|-------------------|-------------------------------|-------------------|---|------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 | 2009 | 2008 |
| General Investments | | | | | | | | |
| 1 PA (Huizhou) | 25.00 | 25.00 | 15.16 | 15.16 | 15.16 | 15.16 | - | - |
| 2 PTT Mart | 49.00 | 49.00 | 78.40 | 78.40 | 78.40 | 78.40 | - | - |
| 3 FPT | 2.76 | 2.76 | 44.00 | 44.00 | 44.00 | 44.00 | - | - |
| 4 IPS | 16.67 | 16.67 | 0.02 | 0.02 | 0.02 | 0.02 | - | - |
| 5 PA (Shantou) | 15.00 | 15.00 | 60.84 | 60.84 | 60.84 | 60.84 | - | - |
| 6 RPCL | 15.00 | 15.00 | 1,098.75 | 1,098.75 | 1,098.75 | 1,098.75 | - | - |
| 7 ROC | 5.91 | 5.91 | 643.73 | 643.73 | - | - | - | - |
| 8 BAPT | 2.07 | 2.07 | 18.19 | 18.19 | - | - | - | - |
| 9 PA(Maoming) | 20.00 | 20.00 | 14.83 | 14.83 | 14.83 | 14.83 | - | - |
| 10 PA(Sanshui) | 25.00 | 25.00 | 6.06 | 6.06 | 6.06 | 6.06 | - | - |
| 11 KOT | 10.00 | 10.00 | 117.93 | 117.93 | - | - | - | - |
| 12 KIF | 10.00 | 10.00 | 48.84 | 48.84 | - | - | - | - |
| 13 KAD I | 10.00 | 10.00 | 245.39 | 245.39 | - | - | - | - |
| 14 KAD II | 10.00 | 10.00 | 65.52 | 65.52 | - | - | - | - |
| 15 XML (Note 19) | 13.00 | - | 120.13 | - | - | - | - | - |
| Total investments accounted for under the cost method | | | 2,577.79 | 2,457.66 | 1,318.06 | 1,318.06 | | |
| Currency translation differences | | | 2.12 | 20.10 | - | - | | |
| Allowance for impairment of investments | | | (230.13) | (230.13) | (211.94) | (211.94) | | |
| Total general investments | | | 2,349.78 | 2,247.63 | 1,106.12 | 1,106.12 | | |
| Investments in Available-for-sale Securities | | | | | | | | |
| Investments in equity instruments | | | | | | | | |
| 16 TIP | 13.33 | 13.33 | 312.00 | 312.00 | 312.00 | 312.00 | - | - |
| 17 BAFS | 7.06 | 7.06 | 24.00 | 24.00 | 24.00 | 24.00 | - | - |
| Total investments in equity instruments | | | 336.00 | 336.00 | 336.00 | 336.00 | | |
| Investments in debt securities | | | | | | | | |
| Investments in mutual funds | | | | | | | | |
| MFC Energy Fund | 32.57 | 32.57 | 293.16 | 293.16 | 293.16 | 293.16 | - | - |
| FAM EPIF | | | 5,050.00 | 5,050.00 | 5,050.00 | 5,050.00 | - | - |
| | | | 6,264.76 | 6,264.76 | 6,264.76 | 6,264.76 | | |
| Allowance for increase in fair value of investments | | | 708.61 | (727.65) | 708.61 | (727.65) | | |
| Total investments in available-for-sale securities | | | 6,973.37 | 5,537.11 | 6,973.37 | 5,537.11 | | |
| Total other long-term investments | | | 9,323.15 | 7,784.74 | 8,079.49 | 6,643.23 | - | - |

6. Other Long-term Investments, Net (Continued)

- 6.3 Other long-term investments, net as at June 30, 2009 and December 31, 2008 are as follows:
(Continued)

The allowance for impairment of other long-term investments in the consolidated financial statements amounting to Baht 230.13 million comprises the allowance for impairment of investments in PTT Mart, PA (Huizhou), FPT, PA (Shantou), PA (Maoming), PA (Sanshui) and BAPT amounting to Baht 78.40, 15.16, 44.00, 60.84, 7.48, 6.06 and 18.19 million, respectively, and in the separate financial statements amounting to Baht 211.94 million.

- 6.4 Significant events during the six-month period ended June 30, 2009

PTT INTER

As a result of Lint's acquisition of shares in Straits Bulk and Industrial Pty Limited (SBI) (now known as PTT Asia Pacific Mining (PTTAPM)), a subsidiary of PTT INTER, on April 28, 2009, a long-term investment in Xanadu Mines Ltd (XML) has arisen. PTTAPM's subsidiary held 13% interest with an investment amount of USD 3.38 million or approximately Baht 120.13 million. XML operates a mine exploration business in the Republic of Mongolia.

7. Property, Plant and Equipment, Net

Property, plant and equipment, net as at June 30, 2009 and December 31, 2008 are as follows:

Unit: Million Baht

| | Consolidated financial statements | | | | | | | Total |
|---|-----------------------------------|--|-------------------------------|------------------------------|----------------------|-----------------|-----------------------------|--------------|
| | Land | Buildings and building improvements | Machinery and equipment | Oil and gas properties | Mining properties | Other assets | Construction in progress | |
| Cost | | | | | | | | |
| As at December 31, 2008 | 8,758.43 | 22,290.59 | 204,893.79 | 283,616.19 | - | 9,442.25 | 53,031.61 | 582,032.86 |
| - Business acquisition (Note 19) | 394.64 | - | 2,367.63 | 18,767.18 | 18,277.45 | 969.63 | 2,129.46 | 42,905.99 |
| - Additions | 86.91 | 338.56 | 2,321.93 | 27,020.04 | 87.92 | 509.72 | 30,704.26 | 61,069.34 |
| - Borrowing costs | - | - | - | - | - | - | 975.23 | 975.23 |
| - Reclassification | 147.85 | 2,152.83 | 12,674.03 | 169.69 | - | 813.02 | (15,874.92) | 82.50 |
| - Disposals | - | (28.62) | (104.46) | (2,133.93) | - | (112.35) | (387.36) | (2,766.72) |
| - Currency translation differences | (15.39) | (1.57) | (131.75) | (185.49) | (743.55) | (40.37) | (85.60) | (1,203.72) |
| As at June 30, 2009 | 9,372.44 | 24,751.79 | 222,021.17 | 327,253.68 | 17,621.82 | 11,581.90 | 70,492.68 | 683,095.48 |
| Accumulated Depreciation | | | | | | | | |
| As at December 31, 2008 | - | (10,745.63) | (71,077.59) | (118,115.88) | - | (6,365.68) | - | (206,304.78) |
| - Business acquisition (Note 19) | - | - | (506.34) | - | (1,902.13) | (584.35) | - | (2,992.82) |
| - Depreciation for the period | - | (660.22) | (4,244.97) | (13,571.36) | (106.26) | (474.91) | - | (19,057.72) |
| - Reclassification | - | (48.15) | (5.05) | (16.14) | - | (3.19) | - | (72.53) |
| - Disposals | - | 18.90 | 89.44 | - | - | 97.46 | - | 205.80 |
| - Currency translation differences | - | 0.24 | 31.43 | 67.98 | 79.55 | 26.64 | - | 205.84 |
| As at June 30, 2009 | - | (11,434.86) | (75,713.08) | (131,635.40) | (1,928.84) | (7,304.03) | - | (228,016.21) |
| Allowance for Impairment of Assets | | | | | | | | |
| As at December 31, 2008 | (53.53) | (259.64) | (242.73) | (558.07) | - | - | - | (1,113.97) |
| - Loss on impairment of assets | - | - | - | (3.77) | - | - | - | (3.77) |
| As at June 30, 2009 | (53.53) | (259.64) | (242.73) | (561.84) | - | - | - | (1,117.74) |
| Net Book Value | | | | | | | | |
| As at December 31, 2008 | 8,704.90 | 11,285.32 | 133,573.47 | 164,942.24 | - | 3,076.57 | 53,031.61 | 374,614.11 |
| As at June 30, 2009 | 9,318.91 | 13,057.29 | 146,065.36 | 195,056.44 | 15,692.98 | 4,277.87 | 70,492.68 | 453,961.53 |

7. Property, Plant and Equipment, Net (Continued)

Unit: Million Baht

| | Separate financial statements | | | | | Total |
|---|-------------------------------|--|-------------------------------|-----------------|-----------------------------|-------------|
| | Land | Buildings and building improvements | Machinery and equipment | Other assets | Construction in progress | |
| Cost | | | | | | |
| As at December 31, 2008 | 7,395.92 | 16,018.02 | 182,678.93 | 7,815.14 | 32,665.46 | 246,573.47 |
| - Additions | 58.81 | 54.57 | 1,578.54 | 83.94 | 22,634.97 | 24,410.83 |
| - Borrowing costs | - | - | - | - | 589.91 | 589.91 |
| - Reclassification | 223.09 | 2,070.86 | 9,557.20 | 322.06 | (12,274.79) | (101.58) |
| - Disposals | - | (9.73) | (37.08) | (62.21) | - | (109.02) |
| As at June 30, 2009 | 7,677.82 | 18,133.72 | 193,777.59 | 8,158.93 | 43,615.55 | 271,363.61 |
| Accumulated Depreciation | | | | | | |
| As at December 31, 2008 | - | (8,312.25) | (63,840.33) | (5,349.51) | - | (77,502.09) |
| - Depreciation for the period | - | (442.28) | (3,455.35) | (370.50) | - | (4,268.13) |
| - Reclassification | - | 0.51 | (0.86) | 0.38 | - | 0.03 |
| - Disposals | - | 8.65 | 34.15 | 49.19 | - | 91.99 |
| As at June 30, 2009 | - | (8,745.37) | (67,262.39) | (5,670.44) | - | (81,678.20) |
| Allowance for Impairment of Assets | | | | | | |
| As at December 31, 2008 | (53.53) | (259.64) | (242.73) | - | - | (555.90) |
| As at June 30, 2009 | (53.53) | (259.64) | (242.73) | - | - | (555.90) |
| Net Book Value | | | | | | |
| As at December 31, 2008 | 7,342.39 | 7,446.13 | 118,595.87 | 2,465.63 | 32,665.46 | 168,515.48 |
| As at June 30, 2009 | 7,624.29 | 9,128.71 | 126,272.47 | 2,488.49 | 43,615.55 | 189,129.51 |

Borrowing costs in the consolidated financial statements amounting to Baht 975.23 million (December 31, 2008: Baht 1,958.67 million) and in the separate financial statements amounting to Baht 589.91 million (December 31, 2008: Baht 1,602.04 million) were capitalized as part of the costs of property, plant and equipment. The Group used capitalization rates ranging from 3.32% - 7.25% (December 31, 2008: 5.29% - 7.25%).

7. Property, Plant and Equipment, Net (Continued)

As at June 30, 2009 and December 31, 2008, the net book value of other assets included vehicles acquired under finance leases. The details are as follows:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Cost | 842.75 | 863.07 | 725.52 | 766.48 |
| <u>Less: Accumulated depreciation</u> | <u>418.06</u> | <u>373.10</u> | <u>378.05</u> | <u>345.71</u> |
| Net book value | <u>424.69</u> | <u>489.97</u> | <u>347.47</u> | <u>420.77</u> |

8. Intangible Assets, Net

The details of changes in intangible assets, net are as follows:

Unit: Million Baht

| | Consolidated financial statements | Separate financial statements |
|--|-----------------------------------|-------------------------------|
| Net book value as at December 31, 2008 | 16,057.72 | 14,383.90 |
| - Business acquisition (Note 19) | 3,382.68 | - |
| - Additions | 505.73 | 20.27 |
| - Amortization | (454.10) | (281.34) |
| - Reclassification | 81.31 | 84.66 |
| - Disposals | (0.27) | - |
| - Currency translation differences | (4.97) | - |
| Net book value as at June 30, 2009 | <u>19,568.10</u> | <u>14,207.49</u> |

9. Goodwill, Net

The details of changes in goodwill, net are as follows:

Unit: Million Baht

| | Consolidated financial statements |
|--|-----------------------------------|
| Net book value as at December 31, 2008 | 12,107.22 |
| - Additions | 4,986.85 |
| - Currency translation differences | (279.13) |
| - Loss on impairment | (10.62) |
| Net book value as at June 30, 2009 | <u>16,804.32</u> |

10. Advance Payments for Gas Purchased

The details of changes in advance payments for gas purchased are as follows:

| | Unit: Million Baht | |
|---------------------------------|---|-------------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Balance as at December 31, 2008 | 24,055.93 | 26,590.36 |
| Additions | 25.79 | 25.79 |
| Make up Right Adjustment | 910.90 | 1,123.95 |
| Balance as at June 30, 2009 | 24,992.62 | 27,740.10 |

The Company paid in advance for the committed gas volumes from Yadana and Yetagun gas fields in the Union of Myanmar, irrespective of take-up in 1998-2001, according to the established minimum volume in the Export Gas Sales Agreements (Take or Pay). The Company had the right to take certain volumes of prepaid gas (Make up right) in subsequent years, with no maturity period. As at June 30, 2009, the remaining advance payments for gas purchased are for irrespective of take up gas in 2000-2001. In addition, the Company adjusted the volume and price of the make up right for the year 2008 amounting to Baht 910.90 million in the consolidated financial statements and Baht 1,123.95 million in the separate financial statements.

During the period, the Company paid Baht 25.79 million in advance for the committed gas volumes from the Malaysia-Thailand Joint Development Area (JDA) gas field Block A-18 in Malaysia for take up in 2008. As at June 30, 2009, the Company has not made up any gas from this gas field.

11. Long-term Loans

Long-term loans as at June 30, 2009 and December 31, 2008 are as follows:

Current Portion of Long-term Loans

| | Unit: Million Baht | | | |
|---------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Loans – Baht currency | 8,575.25 | 9,473.50 | 8,500.00 | 9,400.00 |
| Loans – Baht currency – EPPO | 136.98 | 57.54 | 136.98 | 57.54 |
| Loans – Foreign currencies | 11,489.06 | 1,050.32 | 1,684.86 | 406.62 |
| Bonds – Baht currency | 9,497.23 | - | - | - |
| Liabilities from finance leases | 1,318.31 | 193.40 | 217.08 | 175.24 |
| Total | 31,016.83 | 10,774.76 | 10,538.92 | 10,039.40 |

11. Long-term Loans (Continued)

Long-term Loans

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Loans – Baht currency | 47,548.99 | 34,776.67 | 40,500.00 | 33,000.00 |
| Loans – Baht currency – EPPO | 481.28 | 209.22 | 481.28 | 209.22 |
| Loans – Foreign currencies | 30,640.45 | 31,898.87 | 18,064.32 | 20,579.19 |
| Bonds – Baht currency | 160,048.87 | 114,592.25 | 111,104.20 | 96,104.20 |
| Bonds – Foreign currencies | 45,334.86 | 46,543.72 | 45,334.86 | 46,543.72 |
| Liabilities from finance leases | 8,694.17 | 329.84 | 155.66 | 274.44 |
| Total | <u>292,748.62</u> | <u>228,350.57</u> | <u>215,640.32</u> | <u>196,710.77</u> |

As at June 30, 2009, the Company's loans amounting to Baht 30,260.39 million (December 31, 2008: Baht 36,895.51 million) were secured by the Ministry of Finance.

On April 2, 2009, the Company entered into a long-term loan agreement with a financial institution, amounting to Baht 12,000 million with a maturity period of ten years, bearing interest at a rate of 6M THBFIX + 2.00% per annum. The principal and interest are payable every six months on June 30 and December 30. The first payment of interest was made on June 30, 2009 and the principal is repayable from June 30, 2016 to December 2018. The last repayment will be made on maturity date.

On April 23, 2009, the Company entered into an operating loan agreement with a financial institution, amounting to Baht 2,000 million with a maturity period of three years, bearing interest at the rate of SPRL – 2.00% per annum. The interest is payable every six months on the last day of June and December as well as the first payment was made on June 25, 2009. The principal is repayable in installments of Baht 500 million on the last day of December. The last repayment of Baht 1,000 million will be made within the last day of December 2011.

On April 2, 2009, a subsidiary entered into a long-term loan agreement with a financial institution amounting to Baht 5,000 million with a maturity period of 13 years, bearing interest at the rate of 6M THBFIX + 2.50% per annum. The interest is payable every month. The first payment of interest was made in April, 2009 and the principal is repayable every three months starting from March, 2016.

Loans from Energy Policy and Planning Office (EPPO)

On September 15, 2006, the Company entered into an Energy Conservation Fund Confirmation Letter in accordance with the Working Capital Fund for the NGV Project in order to borrow funds from the Energy Policy and Planning Office (EPPO) at a credit limit of Baht 2,000 million. The Company received the allocated funds in the form of a loan at the actual payment within 24 months after the signing date in the confirmation letter. On January 10, 2008, the Company drew down the first loan amount of Baht 90 million with a redemption period of five years, repayable every three months at an amount of Baht 4.56 million per repayment, totalling 20 repayments. The loan bears interest at the fixed rate of 0.50% per annum, payable every three months. The first payment was made in April 2008, and the last payment will be made in January 2013.

11. Long-term Loans (Continued)

Loans from Energy Policy and Planning Office (EPPO) (Continued)

Subsequently, on August 25, 2008, the Company drew down a second loan amount of Baht 200 million with a maturity period of five years, bearing interest at the fixed rate of 0.50% per annum, payable every three months. The principal is payable every three months in installments of Baht 10.31 million, totalling 20 installments. The first payment was made in November 2008, and the last payment will be made in August 2013.

On March 25, 2009, the Company drew down the third loan amount of Baht 400 million with a maturity period of five years, bearing interest at a fixed rate of 0.50% per annum, payable every three months. The principal is payable every three months in installments of Baht 20.26 million, totalling 20 installments. The first payment will be made in June 2009, and the last payment will be made in March 2014.

11.1 Loans

Movements of loans in Baht currency and foreign currencies for the six-month period ended June 30, 2009 are as follows:

| | Unit: Million | | | |
|------------------------------------|-----------------------------------|---------------|------------------|--------------------------------|
| | Consolidated financial statements | | | |
| | Currency | | | Total equivalent to Baht |
| Baht | USD | JPY | | |
| Balance as at December 31, 2008 | 44,516.93 | 683.50 | 23,000.00 | 77,466.12 |
| - Additions | 19,710.82 | 395.87 | - | 30,416.47 |
| - Repayments | (7,485.25) | (235.80) | - | (15,842.45) |
| - Gain on exchange rate | - | - | - | (1,997.03) |
| - Business acquisitions | - | 249.37 | - | 8,850.94 |
| - Currency translation differences | - | - | - | (22.04) |
| - Current portion | (8,712.23) | (337.35) | - | (20,201.29) |
| Balance as at June 30, 2009 | <u>48,030.27</u> | <u>755.59</u> | <u>23,000.00</u> | <u>78,670.72</u> |
| | | | | Unit: Million |
| | Separate financial statements | | | |
| | Currency | | | Total equivalent in Baht |
| | Baht | USD | JPY | |
| Balance as at December 31, 2008 | 42,666.76 | 342.63 | 23,000.00 | 63,652.57 |
| - Additions | 14,400.00 | - | - | 14,400.00 |
| - Repayments | (7,448.50) | (5.74) | - | (7,649.94) |
| - Gain on exchange rate | - | - | - | (1,035.19) |
| - Current portion | (8,636.98) | (49.31) | - | (10,321.84) |
| Balance as at June 30, 2009 | <u>40,981.28</u> | <u>287.58</u> | <u>23,000.00</u> | <u>59,045.60</u> |

11. Long-term Loans (Continued)

11.2 Bonds

Bonds as at June 30, 2009 and December 31, 2008 are as follows:

| | Unit: Million | | | |
|--------------------------------|-----------------------------------|-----------------|-------------------|-----------------|
| | Consolidated financial statements | | | |
| | June 30, 2009 | | December 31, 2008 | |
| | Baht | USD | Baht | USD |
| Unsecured unsubordinated bonds | | | | |
| - USD currency | 45,334.86 | 1,326.77 | 46,543.72 | 1,326.70 |
| - Baht currency | 169,546.10 | - | 114,592.25 | - |
| - Current portion | (9,497.23) | - | - | - |
| Total | 205,383.73 | 1,326.77 | 161,135.97 | 1,326.70 |

| | Unit: Million | | | |
|--------------------------------|-------------------------------|-----------------|-------------------|-----------------|
| | Separate financial statements | | | |
| | June 30, 2009 | | December 31, 2008 | |
| | Baht | USD | Baht | USD |
| Unsecured unsubordinated bonds | | | | |
| - USD currency | 45,334.86 | 1,326.77 | 46,543.72 | 1,326.70 |
| - Baht currency | 111,104.20 | - | 96,104.20 | - |
| Total | 156,439.06 | 1,326.77 | 142,647.92 | 1,326.70 |

On March 6, 2009, the Company issued unsecured unsubordinated bonds for sale to retail and institutional investors No.1/2009 totalling Baht 15,000 million. The details are as follows:

| Conditions | Details |
|--|--|
| Aggregate amount of bonds (million Baht) | 15,000 |
| Tenor (years) | 15 With put option in 8 th year |
| Fixed interest rate (% per annum) | Year 1-5: 5.00 Year 6-8: 6.20 Year 9-15: 6.80 |
| Interest installments | Payable every six months on September 6 and March 6 |
| Issuance date | March 6, 2009 |
| Maturity date | March 6, 2024 |

11. Long-term Loans (Continued)

11.2 Bonds (Continued)

On May 29, 2009, PTTEP issued unsecured unsubordinated bonds for sale to retail and institutional investors totalling Baht 40,000 million, two times and two tranches each. The details are as follows:

| Conditions | No.1 Tranche 1 | No.1 Tranche 2 |
|---|--------------------------|------------------|
| Aggregate amount of bonds (million Baht) | 18,300 | 11,700 |
| Tenor (years) | 3 | 5 |
| Fixed interest rate (% per annum) | 3.25 | 4.00 |
| Interest installments | Payable every six months | |
| Issuance date | May 29, 2009 | May 29, 2009 |
| Maturity date | May 29, 2012 | May 29, 2014 |
| Offering to | Retail investors | Retail investors |

| Conditions | No.2 Tranche 1 | No.2 Tranche 2 |
|---|---|-------------------------|
| Aggregate amount of bonds (million Baht) | 5,000 | 5,000 |
| Tenor (years) | 4 | 10 |
| Fixed interest rate (% per annum) | Year 1-2: 3.00 Year 3-4: 4.00 or 6M THBFIX + 1.25% with 3.25% floor and 6.00% cap | 4.80 |
| Interest installments | Payable every six months | |
| Issuance date | May 29, 2009 | May 29, 2009 |
| Maturity date | May 29, 2013 | May 29, 2019 |
| Offering to | Institutional investors | Institutional investors |

11. Long-term Loans (Continued)

11.3 Liabilities from Finance Leases

Liabilities from finance leases as at June 30, 2009 and December 31, 2008 are as follows:

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | June 30, 2009 | December 31, 2008 | June 30, 2009 | December 31, 2008 |
| Liabilities from finance leases | | | | |
| - Not later than 1 year | 1,333.81 | 213.67 | 230.27 | 194.42 |
| - Later than 1 year and not later than 5 years | 8,700.44 | 339.04 | 159.28 | 282.62 |
| Future finance charges on finance leases | (21.77) | (29.47) | (16.80) | (27.36) |
| Present value of liabilities from finance leases | <u>10,012.48</u> | <u>523.24</u> | <u>372.75</u> | <u>449.68</u> |
| Present value of liabilities from finance leases | | | | |
| - Current liabilities (Not later than 1 year) | 1,318.31 | 193.40 | 217.08 | 175.24 |
| - Non-current liabilities (Later than 1 year and not later than 5 years) | 8,694.17 | 329.84 | 155.67 | 274.44 |
| Total | <u>10,012.48</u> | <u>523.24</u> | <u>372.75</u> | <u>449.68</u> |

During the year 2009, PTTEP has finance lease liabilities arising from the use of the Floating Production Storage and Offloading (FPSO) of PTTEP Australasia project. PTTEP recorded the capital expenditure at the lower of the fair value of the leased property or the present value of the minimum lease payments and recorded the liabilities at the lease obligation value, net of finance charges. The costs of finance lease are approximately USD 365 million. PTTEP will repay the lease within one month prior to the first oil in the Montara area and the lease contract term is five years. The interest rate for the lease is 10.34% per annum. PTTEP recognized the assets from finance leases as "Oil and Gas Properties" under "Property, Plant and Equipment, net" in the balance sheets. As at June 30, 2009, the finance lease liabilities amounting to Baht 9,555.01 million are included in the balance sheets.

12. Provision for Decommissioning Costs

The Group recognized provision for liabilities as at June 30, 2009 and December 31, 2008 for decommissioning costs expected to be incurred in the future amounting to Baht 20,003.58 million and Baht 16,309.66 million, respectively. The provision was estimated based on existing technology and current prices according to judgment of the Group's engineers and management.

13. Share Capital

13.1 Share Capital – Authorized Share Capital

| | Par value (Baht per share) | The number of authorized share capital (shares) | The value of authorized share capital (Baht) |
|-------------------------|-------------------------------|--|---|
| As at December 31, 2008 | 10 | 2,857,245,725 | 28,572,457,250 |
| As at June 30, 2009 | 10 | 2,857,245,725 | 28,572,457,250 |

13. Share Capital (Continued)

13.2 Share Capital – Issued and Paid-up Share Capital

| | The number of issued and fully paid-up share capital (shares) | The value of issued and fully paid-up share capital (Baht) | Premium on share capital (Baht) | Total (Baht) |
|-------------------------|---|--|---------------------------------|-----------------------|
| As at December 31, 2008 | 2,824,056,625 | 28,240,566,250 | 22,801,956,166 | 51,042,522,416 |
| Additions | 657,100 | 6,571,000 | 115,968,200 | 122,539,200 |
| As at June 30, 2009 | <u>2,824,713,725</u> | <u>28,247,137,250</u> | <u>22,917,924,366</u> | <u>51,165,061,616</u> |

The details of the issued and offered warrants under the Employee Stock Ownership Plan (ESOP) are as follows:

| Date of issue and offer of warrants | Exercise price (Baht per share) | Exercise right (warrant per ordinary share) | The number of allotted shares (million shares) | The number of reserved shares (million shares) | Last exercise date of warrants |
|-------------------------------------|---------------------------------|---|--|--|--------------------------------|
| September 1, 2005 | 183 | 1 : 1 | 24.07 | 15.93 | August 31, 2010 |
| September 29, 2006 | 234 | 1 : 1 | 3.39 | 16.61 | September 28, 2011 |
| | | | <u>27.46</u> | <u>32.54</u> | |

14. Earnings per Share

Basic earnings per share is calculated by dividing net income attributable to ordinary shareholders by the weighted average number of ordinary shares which are held by third parties during the period.

For the calculation of diluted earnings per share, the Company assumes that warrants of the Group given to directors, management and employees that can be exercised are converted to ordinary shares. The exercise of these warrants resulted in net income of the Group recognized in the Company's financial statements, adjusted by decreases in shareholding proportion. The number of diluted shares was calculated by using a market price (an average market price of the Company's ordinary shares during the period) and exercise prices. This calculation is prepared to determine the number of ordinary shares to be added to ordinary shares held by third parties for the calculation of diluted earnings per share.

14. Earnings per Share (Continued)

Basic earnings per share and diluted earnings per share for the three-month periods ended June 30, 2009 and 2008 are calculated as follows:

Consolidated financial statements

| | Basic Earnings per Share | | Diluted Earnings per Share | |
|---|--------------------------|----------------|----------------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net income attributable to ordinary shareholders (Baht) | 19,895,160,336 | 29,884,508,682 | 19,895,160,336 | 29,884,508,682 |
| Adjustment of net income (Baht) | - | - | (121,871,539) | (146,323,493) |
| Net income for calculation of earnings per share (Baht) | 19,895,160,336 | 29,884,508,682 | 19,773,288,797 | 29,738,185,189 |
| Weighted average number of ordinary shares for calculation of earnings per share (shares) | 2,824,258,942 | 2,818,606,829 | 2,826,243,923 | 2,833,318,241 |
| Earnings per share (Baht/share) | 7.04 | 10.60 | 7.00 | 10.50 |

Separate financial statements

| | Basic Earnings per Share | | Diluted Earnings per Share | |
|---|--------------------------|----------------|----------------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net income attributable to ordinary shareholders (Baht) | 10,208,582,170 | 20,213,748,336 | 10,208,582,170 | 20,213,748,336 |
| Weighted average number of ordinary shares for calculation of earnings per share (shares) | 2,824,258,942 | 2,818,606,829 | 2,826,243,923 | 2,833,318,241 |
| Earnings per share (Baht/share) | 3.61 | 7.17 | 3.61 | 7.13 |

Basic earnings per share and diluted earnings per share for the six-month periods ended June 30, 2009 and 2008 are calculated as follows:

Consolidated financial statements

| | Basic Earnings per Share | | Diluted Earnings per Share | |
|---|--------------------------|----------------|----------------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net income attributable to ordinary shareholders (Baht) | 27,343,870,369 | 56,017,063,724 | 27,343,870,369 | 56,017,063,724 |
| Adjustment of net income (Baht) | - | - | (193,252,360) | (234,805,454) |
| Net income for calculation of earnings per share (Baht) | 27,343,870,369 | 56,017,063,724 | 27,150,618,009 | 55,782,258,270 |
| Weighted average number of ordinary shares for calculation of earnings per share (shares) | 2,824,158,342 | 2,818,139,775 | 2,824,158,342 | 2,832,763,389 |
| Earnings per share (Baht/share) | 9.68 | 19.88 | 9.61 | 19.69 |

14. Earnings per Share (Continued)

Separate financial statements

| | Basic Earnings per Share | | Diluted Earnings per Share | |
|---|--------------------------|----------------|----------------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| Net income attributable to ordinary shareholders (Baht) | 17,498,324,656 | 37,367,051,175 | 17,498,324,656 | 37,367,051,175 |
| Weighted average number of ordinary shares for calculation of earnings per share (shares) | 2,824,158,342 | 2,818,139,775 | 2,824,158,342 | 2,832,763,389 |
| Earnings per share (Baht/share) | 6.20 | 13.26 | 6.20 | 13.19 |

Diluted earnings resulted from the issuance of name registered and non-transferable warrants by the Company and the Group to their directors, management and employees.

The Company issued warrants under the Employee Stock Ownership Plan (ESOP) according to Note 13.

PTTEP

PTTEP had registered share capital of 3,322 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,322 million. On May 12, 2009, PTTEP registered a change in its issued and fully paid-up capital to 3,307.56 million ordinary shares with a par value of Baht 1 per share, totalling Baht 3,307.56 million.

PTTEP has reserved ordinary shares for the exercise of warrants under the Employee Stock Ownership Plan (ESOP) for five years consecutively, totalling 62 million ordinary shares. As at June 30, 2009, the employees had exercised warrants for 47.56 million ordinary shares. Therefore, the remaining reserved shares for exercise totalled 14.44 million ordinary shares. The details are as follows:

| Date of issue and offer of warrants | Exercise price (Baht per share) | Exercise right (warrant per ordinary share) | The number of allotted shares (million shares) | The number of reserved shares (million shares) | Last exercise date of warrants |
|-------------------------------------|---------------------------------|---|--|--|--------------------------------|
| August 1, 2002* | 22.20 | 1 : 5 | 9.78 | 0.22 | July 31, 2007 |
| August 1, 2003* | 23.40 | 1 : 5 | 9.71 | 0.29 | July 31, 2008 |
| August 1, 2004 | 36.60 | 1 : 5 | 13.36 | 0.64 | July 31, 2009 |
| August 1, 2005 | 55.60 | 1 : 5 | 9.54 | 4.46 | July 31, 2010 |
| August 1, 2006 | 91.20 | 1 : 5 | 5.17 | 8.83 | July 31, 2011 |
| | | | <u>47.56</u> | <u>14.44</u> | |

*As at June 30, 2009, the warrants of PTTEP issued and offered on August 1, 2002 and August 1, 2003 had expired. There were 0.04 million units and 0.06 million units of unexercised warrants, respectively.

14. Earnings per Share (Continued)

PTTAR

PTTAR issued and offered warrants under the Employee Stock Ownership Plan (ESOP) as follows:

| <u>Date of issue and offer of warrants</u> | <u>Exercise price (Baht per share)</u> | <u>Exercise right (warrant per ordinary share)</u> | <u>The number of allotted shares (million shares)</u> | <u>The number of reserved shares (million shares)</u> | <u>Last exercise date of warrants</u> |
|--|--|--|---|---|---------------------------------------|
| October 15, 2007 | 23.22 | 1 : 0.52 | - | 30.19 | October 15, 2012 |

PTTCH

PTTCH issued and offered warrants under the Employee Stock Ownership Plan (ESOP) as follows:

| <u>Date of issue and offer of warrants</u> | <u>Exercise price (Baht per share)</u> | <u>Exercise right (warrant per ordinary share)</u> | <u>The number of allotted shares (million shares)</u> | <u>The number of reserved shares (million shares)</u> | <u>Last exercise date of warrants</u> |
|--|--|--|---|---|---------------------------------------|
| September 29, 2006 | 66.50 | 1 : 1 | 6.71 | 22.29 | September 28, 2011 |

IRPC

IRPC issued and offered warrants under the Employee Stock Ownership Plan (ESOP) as follows:

| <u>Date of issue and offer of warrants</u> | <u>Exercise price (Baht per share)</u> | <u>Exercise right (warrant per ordinary share)</u> | <u>The number of allotted shares (million shares)</u> | <u>The number of reserved shares (million shares)</u> | <u>Last exercise date of warrants</u> |
|--|--|--|---|---|---------------------------------------|
| June 29, 2007 | 2.88 | 1 : 1 | 215.61 | 692.26 | June 28, 2011 |
| September 28, 2007 | 2.88 | 1 : 1 | 3.42 | 34.68 | September 27, 2011 |
| | | | <u>219.03</u> | <u>726.94</u> | |

BCP

BCP issued and offered convertible bonds to institutional investors and companies as follows:

| <u>Date of issue and offer of convertible bonds</u> | <u>Exercise price (Baht per share)</u> | <u>Exercise right (convertible bond per ordinary share)</u> | <u>The number of allotted shares (million shares)</u> | <u>The number of reserved shares (million shares)</u> | <u>Last exercise date of convertible bonds</u> |
|---|--|---|---|---|--|
| January 29, 2004 | 14.30 | 1 : 699 | 178.20 | 101.40 | September 30, 2013 |
| May 16, 2006 | 14.00 | 1 : 714 | - | 41.81 | May 15, 2016 |
| | | | <u>178.20</u> | <u>143.21</u> | |

14. Earnings per Share (Continued)

BCP issued and offered warrants under the Employee Stock Ownership Plan (ESOP) as follows:

| Date of issue and offer of warrants | Exercise price (Baht per share) | Exercise right (warrant per ordinary share) | The number of allotted shares (million shares) | The number of reserved shares (million shares) | Last exercise date of warrants |
|-------------------------------------|---------------------------------|---|--|--|--------------------------------|
| August 25, 2004 | 5.00 | 1 : 1 | - | 24.00 | August 24, 2009 |
| May 15, 2006 | 18.00 | 1 : 1 | 0.06 | 69.03 | May 14, 2011 |
| | | | <u>0.06</u> | <u>93.03</u> | |

15. Other Income

Other income for the three-month periods ended June 30, 2009 and 2008 are as follows:

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|-----------------------------------|-----------------|---|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | Interest income | 411.46 | 765.45 | 699.15 |
| Penalty income | 190.54 | 44.09 | 87.44 | 67.57 |
| Transportation income | 1,369.18 | 1,994.55 | 1,418.32 | 2,022.79 |
| Dividend income | 33.00 | 41.52 | 3,349.78 | 11,357.45 |
| Compensation for loan interest of advance payments for gas purchased | 109.37 | 123.98 | 109.37 | 123.98 |
| Others | 469.36 | 1,258.26 | 538.56 | 583.20 |
| Total | <u>2,582.91</u> | <u>4,227.85</u> | <u>6,202.62</u> | <u>15,062.24</u> |

Other income for the six-month periods ended June 30, 2009 and 2008 are as follows:

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|--|-----------------------------------|-----------------|---|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| | Interest income | 952.91 | 1,579.35 | 1,499.36 |
| Penalty income | 288.52 | 75.03 | 194.09 | 130.77 |
| Transportation income | 2,924.29 | 4,252.15 | 3,018.41 | 4,305.34 |
| Dividend income | 33.00 | 41.52 | 8,898.58 | 16,675.01 |
| Compensation for loan interest of advance payments for gas purchased | 217.36 | 259.68 | 217.36 | 259.68 |
| Others | 1,988.80 | 2,096.49 | 1,737.89 | 1,428.54 |
| Total | <u>6,404.88</u> | <u>8,304.22</u> | <u>15,565.69</u> | <u>24,753.54</u> |

Compensation for loan interest on advance payments for gas purchased (Take or Pay) represents the Company's compensation received from the Electricity Generating Authority of Thailand (EGAT) and the Independent Power Plants (IPPs) to absorb interest on loans raised by the Company for advance payments for gas purchased.

16. Share of Net Income from Investments in Associates

Share of net income from investments in associates for the three-month periods ended June 30, 2009 and 2008 include share of gain (loss) on foreign exchange as follows:

| | Unit: Million Baht | |
|--|-----------------------------------|-------------------|
| | Consolidated financial statements | |
| | 2009 | 2008 |
| Share of net income before gain (loss) on foreign exchange | 7,604.44 | 14,789.58 |
| <u>Add</u> Share of gain (loss) on foreign exchange | <u>420.26</u> | <u>(1,434.76)</u> |
| Total | <u>8,024.70</u> | <u>13,354.82</u> |

Share of net income from investments in associates for the six-month periods ended June 30, 2009 and 2008 include share of gain (loss) on foreign exchange as follows:

| | Unit: Million Baht | |
|--|-----------------------------------|------------------|
| | Consolidated financial statements | |
| | 2009 | 2008 |
| Share of net income before gain (loss) on foreign exchange | 10,570.44 | 20,344.09 |
| <u>Add</u> Share of gain (loss) on foreign exchange | <u>(138.54)</u> | <u>749.05</u> |
| Total | <u>10,431.90</u> | <u>21,093.14</u> |

17. Segment Information

The Group presented financial information by business segment, rather than by geographical segment as the geographical segments other than Thailand reported less than 10% of the consolidated revenues, operating results and total assets.

17. Segment Information (Continued)

Consolidated financial statements

For the three-month period ended June 30, 2009

| | Upstream petroleum and natural gas | | Downstream petroleum | | | Coal | Others | Elimination | Unit: Million Baht | |
|---|--------------------------------------|-------------|----------------------|-----------------------|----------------|----------|----------|-------------|--------------------|------------------|
| | Petroleum exploration and production | Natural gas | Oil | International trading | Petro-chemical | | | | Refining | Total |
| Sales - others | 6,084.83 | 73,342.10 | 94,870.96 | 199,983.07 | 7,951.44 | - | 4,823.44 | 0.48 | - | 387,056.32 |
| - related parties | 22,482.37 | 5,305.31 | 881.83 | 7,373.32 | 0.61 | - | - | 189.55 | (36,232.99) | - |
| Net sales | 28,567.20 | 78,647.41 | 95,752.79 | 207,356.39 | 7,952.05 | - | 4,823.44 | 190.03 | (36,232.99) | 387,056.32 |
| Gross Margin* | 25,513.44 | 10,735.52 | 5,419.90 | 501.03 | 563.64 | - | 2,200.83 | 16.13 | (349.64) | 44,600.85 |
| EBITDA | 20,374.72 | 9,215.59 | 3,484.11 | 636.72 | 364.72 | - | 1,514.97 | (566.92) | 32.56 | 35,056.47 |
| Depreciation and amortization | 7,193.54 | 2,171.99 | 791.81 | 2.63 | 40.17 | - | 194.76 | 85.94 | (2.40) | 10,478.44 |
| EBIT | 13,181.18 | 7,043.60 | 2,692.30 | 634.09 | 324.55 | - | 1,320.21 | (652.86) | 34.96 | 24,578.03 |
| Share of net income (loss) from investments under the equity method | 4,293.21 | (149.90) | 306.24 | 480.53 | 1,379.34 | 7,348.35 | 141.54 | (756.94) | (5,017.67) | 8,024.70 |
| Interest income | | | | | | | | | | 411.46 |
| Other income | | | | | | | | | | 135.35 |
| Gain on foreign exchange | | | | | | | | | | 2,839.56 |
| Finance cost | | | | | | | | | | (3,322.34) |
| EBT | | | | | | | | | | 32,666.76 |
| Income taxes | | | | | | | | | | (10,153.56) |
| Net income | | | | | | | | | | <u>22,513.20</u> |
| Attributable to: | | | | | | | | | | |
| Equity holders of the Company | | | | | | | | | | 19,895.16 |
| Minority interests | | | | | | | | | | <u>2,618.04</u> |
| Net income | | | | | | | | | | <u>22,513.20</u> |

* Gross margin exclude depreciation and amortization in cost of sales

17. Segment Information (Continued)

Consolidated financial statements

For the three-month period ended June 30, 2008

| | Upstream petroleum and natural gas | | Downstream petroleum | | | Coal | Others | Elimination | Unit: Million Baht | |
|---|--------------------------------------|-------------|----------------------|-----------------------|----------------|-----------|--------|-------------|--------------------|------------------|
| | Petroleum exploration and production | Natural gas | Oil | International trading | Petro-chemical | | | | Refining | Total |
| Sales - others | 4,755.99 | 70,313.57 | 155,296.95 | 348,529.98 | 10,554.10 | - | - | - | - | 589,450.59 |
| - related parties | 33,042.44 | 6,583.24 | 1,541.98 | 12,217.81 | - | - | - | - | (53,385.47) | - |
| Net sales | 37,798.43 | 76,896.81 | 156,838.93 | 360,747.79 | 10,554.10 | - | - | - | (53,385.47) | 589,450.59 |
| Gross Margin* | 35,067.15 | 17,113.47 | 2,053.99 | 1,040.68 | 429.74 | - | - | - | (146.78) | 55,558.25 |
| EBITDA | 28,914.83 | 16,069.64 | 177.92 | 793.76 | 245.53 | - | - | (522.43) | (18.05) | 45,661.20 |
| Depreciation and amortization | 5,959.66 | 1,355.13 | 612.86 | 2.33 | 36.42 | - | - | 78.40 | (0.32) | 8,044.48 |
| EBIT | 22,955.17 | 14,714.51 | (434.94) | 791.43 | 209.11 | - | - | (600.83) | (17.73) | 37,616.72 |
| Share of net income (loss) from investments under the equity method | 8,572.47 | (257.30) | 35.68 | (437.04) | 3,066.28 | 10,403.76 | - | (298.85) | (7,730.18) | 13,354.82 |
| Interest income | | | | | | | | | | 765.44 |
| Other income | | | | | | | | | | 357.24 |
| Loss on foreign exchange | | | | | | | | | | (2,961.71) |
| Finance cost | | | | | | | | | | (2,912.69) |
| EBT | | | | | | | | | | 46,219.82 |
| Income taxes | | | | | | | | | | (11,716.95) |
| Net income | | | | | | | | | | <u>34,502.87</u> |
| Attributable to: | | | | | | | | | | |
| Equity holders of the Company | | | | | | | | | | 29,884.51 |
| Minority interests | | | | | | | | | | <u>4,618.36</u> |
| Net income | | | | | | | | | | <u>34,502.87</u> |

* Gross margin exclude depreciation and amortization in cost of sales

17. Segment Information (Continued)

Consolidated financial statements

For the six-month period ended June 30, 2009

| | Upstream petroleum and natural gas | | Downstream petroleum | | | Coal | Others | Elimination | Unit: Million Baht | |
|---|--------------------------------------|-------------|----------------------|-----------------------|----------------|----------|----------|-------------|--------------------|------------------|
| | Petroleum exploration and production | Natural gas | Oil | International trading | Petro-chemical | | | | Refining | Total |
| Sales - others | 9,663.91 | 140,544.31 | 180,943.10 | 339,813.56 | 14,733.62 | - | 4,823.44 | 42.95 | - | 690,564.89 |
| - related parties | 44,921.56 | 10,575.63 | 1,312.98 | 15,215.40 | 0.90 | - | - | 354.15 | (72,380.62) | - |
| Net sales | 54,585.47 | 151,119.94 | 182,256.08 | 355,028.96 | 14,734.52 | - | 4,823.44 | 397.10 | (72,380.62) | 690,564.89 |
| Gross Margin* | 49,509.18 | 17,891.84 | 9,138.38 | 1,366.01 | 1,013.94 | - | 2,200.83 | 68.05 | (509.26) | 80,678.97 |
| EBITDA | 38,443.50 | 14,809.21 | 5,547.86 | 1,326.39 | 612.76 | - | 1,514.97 | (882.54) | 44.73 | 61,416.88 |
| Depreciation and amortization | 13,687.61 | 4,065.98 | 1,396.60 | 5.17 | 79.08 | - | 194.76 | 168.69 | (2.72) | 19,595.17 |
| EBIT | 24,755.89 | 10,743.23 | 4,151.26 | 1,321.22 | 533.68 | - | 1,320.21 | (1,051.23) | 47.45 | 41,821.71 |
| Share of net income (loss) from investments under the equity method | 8,080.22 | (375.55) | 332.60 | 318.23 | 1,345.44 | 9,997.14 | 141.54 | (1,097.45) | (8,310.27) | 10,431.90 |
| Interest income | | | | | | | | | | 952.91 |
| Other expenses | | | | | | | | | | (46.19) |
| Gain on foreign exchange | | | | | | | | | | 2,224.70 |
| Finance cost | | | | | | | | | | (6,313.47) |
| EBT | | | | | | | | | | 49,071.56 |
| Income taxes | | | | | | | | | | (17,110.01) |
| Net income | | | | | | | | | | <u>31,961.55</u> |
| Attributable to: | | | | | | | | | | |
| Equity holders of the Company | | | | | | | | | | 27,343.87 |
| Minority interests | | | | | | | | | | <u>4,617.68</u> |
| Net income | | | | | | | | | | <u>31,961.55</u> |

* Gross margin exclude depreciation and amortization in cost of sales

17. Segment Information (Continued)

Consolidated financial statements

For the six-month period ended June 30, 2008

| | Upstream petroleum and natural gas | | Downstream petroleum | | | Coal | Others | Elimination | Unit: Million Baht | |
|---|--------------------------------------|-------------|----------------------|-----------------------|----------------|-----------|--------|-------------|--------------------|------------------|
| | Petroleum exploration and production | Natural gas | Oil | International trading | Petro-chemical | | | | Refining | Total |
| Sales - others | 8,981.40 | 133,953.85 | 287,097.13 | 633,126.45 | 19,400.49 | - | - | - | - | 1,082,559.32 |
| - related parties | 55,987.45 | 12,676.21 | 2,621.57 | 18,219.87 | - | - | - | - | (89,505.10) | - |
| Net sales | 64,968.85 | 146,630.06 | 289,718.70 | 651,346.32 | 19,400.49 | - | - | - | (89,505.10) | 1,082,559.32 |
| Gross Margin* | 60,156.00 | 31,624.39 | 5,578.87 | 2,444.41 | 950.02 | - | - | - | (373.85) | 100,379.84 |
| EBITDA | 48,799.05 | 29,572.26 | 2,140.83 | 2,309.10 | 582.20 | - | - | (1,021.79) | (88.24) | 82,293.41 |
| Depreciation and amortization | 10,492.51 | 2,692.94 | 1,209.24 | 4.04 | 71.93 | - | - | 157.50 | (0.64) | 14,627.52 |
| EBIT | 38,306.54 | 26,879.32 | 931.59 | 2,305.06 | 510.27 | - | - | (1,179.29) | (87.60) | 67,665.89 |
| Share of net income (loss) from investments under the equity method | 14,580.89 | 525.80 | 45.63 | (372.69) | 6,183.59 | 15,093.77 | - | (597.67) | (14,366.18) | 21,093.14 |
| Interest income | | | | | | | | | | 1,579.36 |
| Other income | | | | | | | | | | 538.79 |
| Gain on foreign exchange | | | | | | | | | | 1,226.45 |
| Finance cost | | | | | | | | | | (5,433.35) |
| EBT | | | | | | | | | | 86,670.28 |
| Income taxes | | | | | | | | | | (22,806.07) |
| Net income | | | | | | | | | | <u>63,864.21</u> |
| Attributable to: | | | | | | | | | | |
| Equity holders of the Company | | | | | | | | | | 56,017.06 |
| Minority interests | | | | | | | | | | <u>7,847.15</u> |
| Net income | | | | | | | | | | <u>63,864.21</u> |

* Gross margin exclude depreciation and amortization in cost of sales

Pricing among business groups is based on normal market prices except for pricing among business groups within the Company, for which net market prices, after deducting management fees of petroleum terminals and operating fees, are applied.

EBITDA means Earnings before finance costs, income taxes, depreciation and amortization, including other expenses and income which are not relevant to the operations.

EBIT means Earnings before finance costs, income taxes, as well as other expenses and income which are not relevant to the operations.

17. Segment Information (Continued)

The Group categorizes segments for major businesses as follows:

Upstream Petroleum and Natural Gas Business Group

1. Petroleum exploration and production business:

The Group conducts its petroleum exploration and production business both domestically and overseas. The Group is the operator and jointly invests with the leading petroleum exploration and production companies. Most domestic projects are located in the Gulf of Thailand. Overseas projects cover the Asia Pacific and Middle East regions.

2. Natural gas business:

The Group conducts natural gas business including procurement, natural gas pipeline transmission, distribution, and natural gas separation. Products from the natural gas separation plants are used as feedstock for the petrochemical industry and as fuel in the transportation and industry sectors.

Downstream Petroleum Business Group

1. Oil business:

The Group conducts marketing of petroleum and lubricant products in both domestic and overseas markets under an efficient operating system of receiving, storage, and distribution of products through to the retail business at service stations.

2. International trading business:

The Group conducts international trading business including importing and exporting petroleum and petrochemical products as well as all other related products. The business also covers the management of possible risks arising from oil trading as well as from the procurement and distribution of petroleum and petrochemical products in international markets.

3. Petrochemical business:

The Group conducts petrochemical business including the production and distribution of the main petrochemical products and by products for both domestic and overseas markets to serve the demand of industry and consumer groups as well as to reduce imports of the raw materials of petrochemical products.

4. Refining business:

The Group conducts refining business, involving the processing and distribution of finished oil products to serve both domestic and overseas customers.

Coal Business Group

The Group conducts its coal mining business involving exploration and production overseas.

Other operations of the Group mainly comprise other segments, none of which constitute separately reportable segments.

18. Dividend Payment

On April 10, 2009, the annual shareholders' meeting of the Company approved the dividend payments for the year 2008 of Baht 8.00 per share, amounting to Baht 22,592.40 million. On September 12, 2008, the Company paid the interim dividends for the operating results of the first-half of 2008 at Baht 6.00 per share for 2,824,047,825 shares, amounting to Baht 16,944.29 million. The remaining dividends were paid as follows:

| Dividends | For operating period | Dividend payment rate (Baht/share) | Number of shares (shares) | Total dividends (million Baht) | Payment date |
|-------------------|----------------------------------|------------------------------------|---------------------------|--------------------------------|----------------|
| For the year 2008 | July 1, 2008 – December 31, 2008 | 2.00 | 2,824,056,625 | 5,648.11 | April 30, 2009 |

19. Business Acquisition

On February 4, 2009, PTTEP acquired 100% of the ordinary shares of Coogee Resources Limited (CRL) which was later renamed PTTEP Australasia Limited. CRL was engaged in investment and the development of oil and gas exploration and production businesses in Australia. The acquired business contributed a net loss of Baht 171 million to PTTEP for the period from February 4, 2009 to June 30, 2009. If the acquisition had occurred on January 1, 2009, PTTEP's net loss before income allocation would have been Baht 303 million.

Details of net assets acquired and goodwill are as follows:

| | Unit: Million Baht |
|------------------------------------|--------------------|
| Purchase consideration (Cash paid) | 5,475.05 |
| Fair value of net assets acquired | <u>5,290.23</u> |
| Goodwill (Note 9) | <u>184.82</u> |

The assets and liabilities arising from the acquisition are as follows:

| | Unit: Million Baht |
|---|--------------------|
| Cash and cash equivalents | 361.87 |
| Restricted cash | 503.69 |
| Trade accounts receivable | 324.43 |
| Inventories | 376.76 |
| Materials and supplies | 441.75 |
| Net deferred tax assets | 3,435.84 |
| Property, plant and equipment, net (Note 7) | 18,813.07 |
| Intangible assets (Note 8) | 3,382.68 |
| Trade accounts payable | (1,485.77) |
| Borrowings | (12,846.43) |
| Finance lease liabilities | (8,343.21) |
| Other assets, net | <u>325.55</u> |
| Net assets | 5,290.23 |
| Goodwill (Note 9) | <u>184.82</u> |
| Total purchase consideration | 5,475.05 |
| <u>Less:</u> Cash and cash equivalents in subsidiary acquired | 361.87 |
| Purchase consideration payable | <u>349.75</u> |
| Cash outflow on the acquisition | <u>4,763.43</u> |

19. Business Acquisition (Continued)

On April 28, 2009, Lints Limited, Hong Kong (Lints), a subsidiary of PTT INTER, acquired 60% of the ordinary shares in Straits Bulk and Industrial Pty Ltd (SBI) which was later renamed PTT Asia Pacific Mining Pty Ltd (PTTAPM) from Straits Resources Limited (SRL). SBI is a holding company which holds shares in various companies that have the right to extract coal from potential mine at a high quantity and quality. There is potential for future development.

Details of net assets acquired and goodwill are as follows:

| | Unit: Million Baht |
|------------------------------------|--------------------|
| Purchase consideration (Cash paid) | 12,371.15 |
| Fair value of net assets acquired | <u>9,689.07</u> |
| Goodwill (Note 9) | <u>2,682.08</u> |

19. Business Acquisition (Continued)

The assets and liabilities arising from the acquisition are as follows:

| | Unit: Million Baht |
|---|--------------------|
| Cash and cash equivalents | 2,613.60 |
| Trade accounts and notes receivable | 1,677.21 |
| Other accounts receivable and short-term loans | 2,149.73 |
| Inventories | 357.13 |
| Investments in associates (Note 5.2) | 1,267.73 |
| Other long-term investments (Note 6.3) | 120.13 |
| Property, plant and equipment, net (Note 7) | 21,100.10 |
| Goodwill (Note 9) | 1,795.58 |
| Deferred tax assets | 87.47 |
| Trade accounts payable | (1,287.71) |
| Borrowings | (8,850.94) |
| Other current liabilities | (2,394.73) |
| Deferred tax liabilities | (2,417.55) |
| Other non-current liabilities | (69.30) |
| Minority interests | (6,459.38) |
| Fair value of net acquired assets | 9,689.07 |
| Goodwill (Note 9) | 2,682.08 |
| Total purchase consideration | 12,371.15 |
| <u>Less:</u> Cash and cash equivalents in subsidiary acquired | 2,613.60 |
| Purchase consideration payable | 4,483.22 |
| Cash outflow on the acquisition | 5,274.33 |

20. Reclassification and Adjustment

The Group has reclassified certain items in the consolidated and the separate financial statements for the three-month period and the six-month period ended June 30, 2008 and as at December 31, 2008 to ensure consistency with the presentation in the consolidated and the separate financial statements for the three-month period and the six-month period ended June 30, 2009 and to align with the “Summary of the set must be in financial year 2009” announced by the Department of Business Development which became effective for accounting periods beginning on or after January 1, 2009.

The Group has reclassified land leasehold rights from construction in progress included in property, plant and equipment to long-term advanced payment presented as other non-current assets amounting to Baht 1,140.66 million in the consolidated financial statements and the separate financial statements. It has reclassified land leasehold rights from intangible assets to long-term advanced payment for land lease presented as other non-current assets amounting to Baht 4,414.73 million in the consolidated financial statements and Baht 2,842.18 million in the separate financial statements according to the Accounting Standard No.29 (revised 2007) “Leases”.

To ensure consistency with the presentation in the balance sheets as at June 30, 2009, the Company has reclassified the account receivable – subsidy from natural gas producer (Signature bonus) in the balance sheet as at December 31, 2008 from other accounts receivable, advances and long-term loans – related parties to other accounts receivable, advances and short-term loans – related parties amounting to Baht 835.32 million in the separate financial statements and has reclassified from other long – term accounts receivable presented as non – current assets to other accounts receivable and short – term loans – others amounting to Baht 208.83 million in the consolidated financial statements and the separate financial statements. The Company has also reclassified deferred bond discount from other non-current assets to an off-set account against long-term loans amounting to Baht 11.95 million in the consolidated financial statements. In addition, the Company has made an adjustment by reducing sales and cost of sales relating to legal reserve inventories in the statements of income for the three-month period and the six-month period ended June 30, 2008, amounting to Baht 53.82 million and Baht 290.19 million in the consolidated financial statements and the separate financial statements respectively.

21. Promotional Privileges

The Company received promotional privileges from the Board of Investment (BOI) under the Investment Act, B.E. 2520 (1977) for the Gas Separation Plant Unit#5 project, the third gas offshore and onshore pipeline project, the Sai Noi-South Bangkok Power Plant gas pipeline project, the Songkhla Power Plant gas pipeline project, the Ethane Separation Plant project, the Suvarnabhumi-Phayathai NGV gas distribution pipeline project, the Gas Separation Plant Unit#6 project, the gas distribution pipelines to the Rojana Industrial Park project, the Enco combined heat and power plant project, the Bangchak utility project, The North Bangkok Power Plant gas transmission pipeline project, and the Rayong-Kangkoi gas pipeline project. The promotional privileges include exemption from import duties on the machinery approved by the BOI and corporate income tax exemption on net income from the promoted business for eight years starting from the date on which the first sale is realized.

22. Commitments and Contingent Liabilities

Significant changes in commitments and contingent liabilities are as follows:

- 22.1 Commitments to subsidiaries, jointly controlled entities, associates and other related parties are as follows:
- 22.1.1 According to a condition with a financial institution, the Company entered into Shareholders' Commercial Support Arrangements with two associates at credit limits of USD 190 million. The Company has obligations under the arrangements in the form of extended credit for raw materials and/or advance product payments. As at June 30, 2009, both of the associates had not used the commercial credit line.
- 22.1.2 The Company has an obligation with a subsidiary in a foreign country under a commercial credit agreement in the form of extended credit for raw materials at a credit limit of USD 100 million. As at June 30, 2009, the subsidiary had used the commercial credit line of USD 99.81 million. The remaining commercial credit line is USD 0.19 million or approximately Baht 6.49 million.
- 22.1.3 The Company entered into Sponsor Support Agreements with two jointly controlled entities at a credit limit equal to the loan obligations of these jointly controlled entities to a financial institution. As at June 30, 2009, the Company had a remaining commitment of USD 261.30 million or approximately Baht 8,928.44 million.
- 22.1.4 The Company provided a loan to a jointly controlled entity at a credit limit of USD 50 million. As at June 30, 2009, the Company had made a payment on this loan totalling USD 48.50 million. The remaining commitment is USD 1.50 million or approximately Baht 51.25 million.
- 22.1.5 The Group provided a loan to its subsidiaries and associates at a credit limit of Baht 61,023.05 million. As at June 30, 2009, the Group had made a payment on this loan totalling Baht 37,477.81 million. The remaining commitment is Baht 23,545.24 million.
- 22.1.6 The Company has the obligations under a Shareholder Agreement to pay for ordinary shares in accordance with the portion of equity held. As at June 30, 2009, the Company's remaining commitment amounting to Baht 18,071.70 million.
- 22.2 Commitment for operating leases - the Group as a lessee, the future minimum lease payments for uncancellable operating leases as at June 30, 2009 are as follows:

| | Consolidated financial statements | | Unit: Million Baht Separate financial statements | |
|---|-----------------------------------|------------------|---|---------------|
| | June | December | June | December |
| | 31,2009 | 31, 2008 | 31,2009 | 31, 2008 |
| - Not later than 1 year | 3,050.52 | 3,388.84 | 3.56 | 208.47 |
| - Later than 1 year, but not later than 5 years | 9,070.50 | 9,280.18 | 40.25 | 115.16 |
| - Later than 5 years | 4,624.61 | 1,633.54 | - | 501.67 |
| Total | <u>16,745.63</u> | <u>14,302.56</u> | <u>43.81</u> | <u>825.30</u> |

22. Commitments and Contingent Liabilities (Continued)

- 22.3 As at June 30, 2009, the Group and the Company have contingent liabilities in the form of unused letters of credit amounting to Baht 489.40 million in the consolidated financial statements and Baht 200.83 million in the separate financial statements.
- 22.4 As at June 30, 2009, the Group and the Company had contingent liabilities in the form of letters of guarantee amounting to Baht 2,686.42 million in the consolidated financial statements and Baht 145.70 million in the separate financial statements.
- 22.5 The Company is the subject of nine lawsuits which are under the consideration of the Court. The Company may have to pay compensation of approximately Baht 6.72 million. However, the Company has already accounted for these obligations.

23. Subsequent Events

- 23.1 On July 31, 2009, the Company issued unsecured unsubordinated bonds for sale to retail and institutional investors No.2/2009 in three tranches totalling Baht 35,000 million. The details are as follows:

| Conditions | Tranche 1 | Tranche 2 | Tranche 3 |
|---|--|----------------------------------|---|
| Aggregate amount of bonds (million Baht) | 8,500 | 17,100 | 9,400 |
| Tenor (years) | 3 | 7 | 15 With put option in 10 th year |
| Fixed interest rate (% per annum) | 3.20 | Year 1-5: 4.25 Year 6-7: 5.25 | Year 1-5: 4.25 Year 6-10: 5.50 Year 11-15: 5.75 |
| Interest installments | Payable every six months on January 31 and July 31 | | |
| Issuance date | July 31, 2009 | July 31, 2009 | July 31, 2009 |
| Maturity date | July 31, 2012 | July 31, 2016 | July 31, 2024 With the bondholders' right to exercise early redemption one time in 2019 |

- 23.2 The Audit Committee of the Company approved these financial statements for public issuance on August 10, 2009.